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June 20, 2007

By electronic mail
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
Authorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

c/o John Stevenson, Secretary
Ontario Securities Commission
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Email: jstevenson@osc.gov.on.ca

and

Madame Anne-Marie Beaudoin
Directrice du secrétariat
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Email: consultation-en-cours@lautorite.qc.ca

Re: National Instrument 31-103 Registration Requirements

Dear Mr. Stevenson and Madame Beaudoin:

McLean Budden Limited and ("McLean Budden") is pleased to have the opportunity to provide its comments on the proposed National Instrument 31-103 "Registration Requirements" (the "Rule") together with its companion policy 31-203 (together, the "Proposed Instrument") issued by the Canadian Securities Administrators ("CSA") regarding the registration of investment advisers in Canada.

McLean Budden was founded in 1947 and currently manages over $43 billion for both institutional and private clients. McLean Budden is committed to providing its clients with the highest quality of service possible and we believe that taking the opportunity to provide comments to regulators to be an essential part of that service.

Part 2 - Categories of Registration and Permitted Activities

2.2 - Exemption from dealer registrations for advisers

We believe that the reorganization and rationalization of registration categories to be a positive development in the Proposed Instrument, but feel that a lack of clarity may lead to confusion amongst registered firms.

Section 2.2(1) provides for a registration exemption for an adviser dealing in a security of its own pooled fund with a fully managed account managed by the adviser. We feel that the lack of definition of 'pooled fund' is an oversight by the CSA that should be addressed.

We believe that a broad definition of 'Investment Fund', including both funds offered pursuant to a Prospectus as well as funds sold in reliance on a Prospectus exemption, is most consistent with the intent of the exemption.

Part 4 - Division 2: Solvency Requirements

4.14 Capital Requirement

Since investment counselors do not hold their client's money directly, client assets are not at direct risk from a firm's insolvency. Client's assets are normally held by a third-party custodian or broker so the client's assets are isolated from the manager's corporate activities. We believe that the increase in excess working capital will not improve the protection from client's assets. Increasing the requirements will only serve to discourage competition and create a barrier to smaller firms and new entrants.

As well, the IDA margin rules that are to be applied to Market Risk in the calculation are silent on Pooled Funds and therefore they cannot be included as working capital. Pooled Funds are redeemable at any time and considered to be liquid, therefore in our opinion should be included as part of working capital. This change might impede a manager from launching new funds as they will be required to seed those funds. As well, it would present a barrier to smaller firms and new entrants.

We believe that current levels of minimum working capital are sufficient and should not be changed.

4.18 Insurance

We believe the proposed increased requirements for insurance represent an unnecessary burden to many registrants. As stated in 4.14 above, client assets are not directly at risk because they are held by a third party. Therefore this change provides no material benefit in terms of protection. If any further enhancement is indeed desired, we believe that requiring adequate Errors and Omissions coverage provides superior protection and is more reflective of the needs of the marketplace.

Part 5 Division 2: Relationship Disclosure

5.12 Content of a Relationship Disclosure Document

While we believe that improvements to the client-registrant interface are welcome, certain aspects of the mandatory relationship disclosure document are too onerous and are of limited utility. We believe that a combination of comprehensive disclosure and a general discussion of

investments and associated risks serve a useful function while keeping administrative costs at a reasonable level.

The requirement in 5.12(d) that the document contain a discussion of how a specific products will meet the needs of specific clients requires a great deal of tailoring, and will prove costly to produce. It is our belief that a general discussion of the risks associated with certain types of products and the relative suitability of certain types of products for certain types of investors would serve as an adequate educational tool.

5.30 Dispute Resolution Service

We believe that the requirement that a registered firm must participate in a dispute resolution service is unnecessary and will result in increased costs, which would be especially onerous to smaller firms and new market entrants. The Proposed Rule is vague on the type of service to be engaged and registered firms would certainly need more specific information before being able to fulfill this requirement. We strongly believe that firms with efficient and fully disclosed complaint handling procedures need not participate in a third party dispute resolution service.

General Comments

Current Exemptions

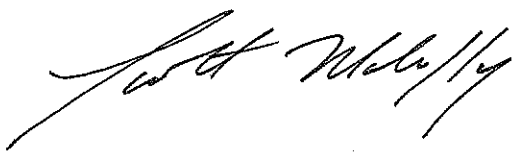
The Proposed Rule is silent on the matter of exemptions previously granted to registered firms by the regulators. Firms operating under such exemptions require guidance as to how they will be treated under the proposed regime and what actions, if any, are required on the part of the firms in question.

Transition

Very little in the Proposed Rule is aimed at addressing the transition to the new registration regime. Registered firms will require clear directions of what is required for the transition as well as a comprehensive description of what can be expected. We encourage the CSA to take the time to fully set out the transition plan so that it can be communicated clearly and effectively to firms.

It should be noted that the Canadian Securities Administrators are to be commended for their effort to harmonize, streamline and modernize the registration requirements across Canada. We hope that the CSA find the above remarks to be helpful in their efforts and that we have contributed in the manner desired. If you have any questions about our comments, please do not hesitate to contact me.

Sincerely,



Scott Mahaffy
Vice President, Legal
McLean Budden Limited