

June 29, 2007

VIA E-MAIL

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité 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, Yukon Territory
Registrar of Securities, Nunavut

c/o John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8

c/o Anne-Marie Beaudoin
Directrice du secrétariat
Autorité des marchés financiers
Tour de la Bourse, 800, square Victoria
C.P. 246, 22 étage
Montreal, Quebec H4Z 1G3

Dear Sirs/Mesdames:

Re: Comments on Proposed National Instrument 31-103 - Registration Requirements

Thank you for the opportunity to comment on proposed National Instrument 31-103. I am writing to request clarification / consideration with respect to the grandfathering of assets currently held in prospectus-exempt products with mutual fund dealers (MFDs).

MFDs in a number of provinces can sell prospectus-exempt products to their clients. NI 31-103 proposes to create an Exempt Market Dealer (EMD) category of registration permitting EMD dealers to deal in prospectus-exempt products and to restrict MFDs from selling non-prospectused products. While I don't have an issue with the creation of the EMD category, I am concerned with the options that would be available to an investor that holds prospectus-exempt products with an MFD whereby the MFC decides, upon the implementation of NI 31-103, to not register as an EMD. Would the investment be 'grandfathered' such that it can remain on the books of the MFD? Would the investor be able to make additional purchases in an existing product through that MFD? A mandatory divestiture of the investment would most likely not be in the best interests of the investor; for example, the product may be outperforming comparable investments or the product may have early redemption charges that would not otherwise be deducted.

A similar situation arises in which an investor decides to move his/her account from one dealer to another. If the old dealer was registered as an EMD and the new dealer is registered only as a MFD, would the investor be forced to divest their investments? If the investor wished to keep the investment, would he/she be required to maintain accounts at both dealers?

Thank you again for your consideration. I look forward to the next version of the instrument after the various comments received have been addressed. Please feel free to contact me should you have any questions.

Best regards,

Donna Beasant
VP, Operations
BluMont Capital
416.360.1220
dbeasant@blumontcapital.com