

April 29, 2008

VIA email: jstevenson@osc.gov.on.ca

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services 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 Ontario Securities Commission
20 Queen Street West, 19th Floor, Box 55
Toronto, ON M5H 3S8

Attention: John Stevenson, Secretary

Dear Sirs and Mesdames

Re: Proposed National Instrument 31-103 Registration Requirements

Becher McMahon Capital Markets Inc. (BMCM) would like to express its support of the Canadian Securities Administrator's (CSA) efforts to harmonize registration requirements across all jurisdictions.

Possession of Client Assets

We also want to congratulate the CSA for adopting a risk-based approach, for Exempt Market Dealers.

We understand that the revised draft, no longer imposes certain requirements, such as regulatory capital and the obligation to file audited financial statements, where an Exempt Market Dealer does not take possession of or have control over client assets.

However we believe that the rule as drafted, inadvertently removes this exemption by too widely defining activities that are deemed as holding or controlling client assets. Specifically, we are concerned that simply acting as a “delivery agent” and forwarding a cheque made payable to an Issuer or Issuer’s counsel will, under the proposed rule, cause an Exempt Dealer to be deemed in possession of Client funds.

BMCM’s role, and that of most Limited Market Dealers that underwrite private equity financings, includes facilitating transaction closings. This covers a variety of activities including, communicating information to the Investor Clients, ensuring subscription agreements are properly completed and, delivering cheques to the Issuer or Issuer’s counsel.

If such Firms are deemed to be in possession of client funds simply because they act as a “delivery service” and forward cheques, then virtually all such Limited Market Dealers will be deemed to be in possession of client funds and, the exemptions from regulatory capital and the obligation to provide audits statements, will have no practical application to the industry.

It will effectively nullify the CSA’s intention to adopt a risk-based approach for registration requirements and, will further impose significant costs on the industry, with virtually no benefit of additional client protection.

Proficiency

We agree with the CSA’s objective of imposing standards for Dealer Representatives and Chief Compliance Officers of Exempt Market Dealers.

However we believe that the rule should give consideration to industry experience and other proficiency exams, when determining an individual’s fitness to become registered.

We recognize that the revised draft of the rule allows Applicants to file for exemptions from the Canadian Securities Commission proficiency requirement.

However codifying other acceptable proficiency or experience would remove much uncertainty within the Limited Market Dealer community and, ensure a consistent application for all industry participants. It would also, reduce the volume of exemption applications that the Commissions would have to deal with upon implementation of the rule.

I would like to thank you for this opportunity to comment on Proposed NI 31-103. If you have any questions, please direct them

Yours truly,



Derrick G. Chiu
Chief Compliance Officer
Becher McMahon Capital Markets Inc.