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John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
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Dear Sirs / Mesdames,

Re: Comments on proposed amendments to Rule 45-501 *Ontario Prospectus and Registration Exemptions* (Rule 45-501), Form 45-501F1 and Companion Policy 45-501CP (the “Companion Policy”).

We submit the following comments in response the Notice and Request for Comments published on February 29, 2008 ((2008) 31 OSCB (Supp-1)) on proposed amendments to Rule 45-501, Form 45-501F1 and the Companion Policy (the “**Proposed Amendments**”). Thank you for the opportunity to comment on these proposed changes.

Our first comment relates to Part 6 of Rule 45-501 and specifically to the list of enumerated prospectus exemptions in respect of which Part 6 applies. In this respect we note that the definition of “offering memorandum” under the *Securities Act* (Ontario) specifically states that it “...does not include a document setting out current information about an issuer for the benefit of a purchaser familiar with the issuer through prior investment or business contacts.” In our view, purchasers entitled to rely on the prospectus exemptions listed in section 6.1 (b) (private issuer), (c) (founder, control person and family), (d) (affiliates) and (f) (additional investment in investment funds), other than accredited investors purchasing under the private issuer exemption, would appear by virtue of who they are to be “familiar with the issuer”. In this respect, we question whether these exemptions should be included in Part 6, as the document delivered to these purchasers would not appear to constitute an offering memorandum under the *Securities Act* (Ontario). If there are circumstances under which a document delivered to such purchasers could be construed to be an “offering memorandum”, and thus call for the application of Part 6, guidance to this effect in the Companion Policy would be helpful.

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Our second comment relates to Form 45-501F1, Item 8 (which should be Item 7), which requires the filer to complete the table for each Canadian and each foreign jurisdiction where purchasers of the securities reside. We have raised the same issue with respect to the reporting requirement under proposed National Instrument 45-106 and Form 45-106F1. As we understand, under the securities laws of the Province of Ontario a distribution is generally considered to take place in Ontario if the purchaser is resident in or otherwise subject to the laws of the Province of Ontario. If a purchaser is not resident in Ontario we question whether it is appropriate to require disclosure of purchasers resident outside of Ontario in Form 45-501F1. If a distribution is not taking place in the local jurisdiction we fail to see any regulatory or policy reason why the regulator should be provided with information regarding purchasers over whom it does not otherwise have any jurisdiction. To the extent there is a policy reason to require such disclosure, in our view, it would be appropriate for it to be explained and to consider whether any benefit accruing from such disclosure is adequately offset by the additional burden that it imposes. In addition to the questionable value of such information, in our view, it is also questionable whether the issuer would have the authority to request or require purchasers in foreign jurisdictions to agree to the disclosure of such information to the Ontario Securities Commission.

Thank you for the opportunity to comment on these proposals.

Submitted on behalf of certain members of the Securities Practice Group at Stikeman Elliott LLP by ,

Ramandeep K. Grewal