



March 16, 2005

Alberta Securities Commission
British Columbia Securities Commission
Manitoba Securities Commission
New Brunswick Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Nova Scotia Securities Commission
Registrar of Securities, Legal Registries Division, Department of Justice, Government of
Nunavut
Ontario Securities Commission
Prince Edward Island Securities Office
Autorité des marchés financiers
Saskatchewan Financial Services Commission
Registrar of Securities, Government of Yukon

2 Queen Street East
Suite 1500
Toronto, Canada M5C 3G5
416.593.1221 TEL
416.593.5437 FAX
www.blaney.com

Michael J. Bennett
416.593.3905
mbennett@blaney.com

Dear Sirs:

Re: Comments on Proposed National Instrument 45-106 (“NI 45-106”)

We wish to take this opportunity to provide two specific comments on the proposed form of NI 45-106:

1. Section 2.18 provides for a registration exemption for reinvestments of dividends or other distributions by a mutual fund “where the securityholder directs” that same be reinvested. This is different than the current wording of OSC Rule 81-501 (and similarly worded exemptions available in other jurisdictions) which exempts investment funds’ reinvestment plans that permit or require that a dividend or distribution be reinvested. As you know, many mutual funds provide that distributions are automatically reinvested unless a unitholder requests to be paid in cash. Section 2.18 should be revised to be consistent with OSC Rule 81-501.
2. Section 2.40, which is a carryover from OSC Rule 45-501 (section 2.2), should be reviewed so as to consider whether it should exempt trades in variable insurance contracts issued by insurance companies rather than trades in variable insurance companies by an insurance company (as insurance companies aren’t the only parties that could trade in such contracts - they could be sold by/through licensed

insurance agents who would not appear to be exempted from securities laws under this section).

Yours very truly,

Blaney McMurtry LLP

A handwritten signature in black ink, appearing to read "Michael Bennett", written in a cursive style.

Michael J. Bennett

MJB/bl

- c. Blaine Young, Alberta Securities Commission
- c. Anne-Marie Beaudoin, Directrice du secrétariat, Autorité des marchés financiers