

September 30, 2010

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8

Via e-mail to: jstevenson@osc.gov.on.ca

Dear CSA,

Proposed Amendments to NI 31-103

I am writing to comment on the proposed amendments to the above instrument relating to registration matters.

Lycos Asset Management Inc. is a registered portfolio manager and investment fund manager. We currently manage segregated accounts on behalf of clients as well as the [Lycos Value Fund](#), using a fundamental value approach and focusing on the future of humanity which we will be more civilized, i.e. healthier, cleaner, fairer, less cruel, etc. We invest in businesses that either benefit from this trend (organic farming, no testing on animals, clean energy, disease prevention rather than treatment, etc.) or at a least do not engage in activities that are against progress, as we see it (forestry, mining, coal, oil & gas, junk food and drink, cosmetics, weapons, etc.)

Our business has been impacted tremendously by the “registration reform” project and all the amendments to Securities Acts, National Instruments, Provincial Blanket Orders, etc and for the most part the impact has been negative: You have raised the barriers to entry to our business (by imposing higher capital requirements, bizarre working capital formulas whereby a portfolio manager is not allowed to invest their working capital in their own fund and vastly increased amount of “red tape” just to mention a few changes that stand out) and yet at the same time you have lowered the entry professional qualification standards! This has truly been a missed opportunity to both raise qualification standards and reduce red tape in order to make Canada a world leader in achieving the primary objectives of securities legislation as we see it (protection for investors and, for issuers, ease of raising capital to promote wealth creation) rather than some bizarre place to do business where you need either a lot of money or a law degree or both to navigate the complex cobweb of rules, regulations, instruments, etc. thousands of pages long.

We are only going to comment on one aspect of 31-103 this time, section 13.16 “Dispute Resolution Service”:

While we are proud to say report that in our firm’s short history we have had exactly zero client complaints, in the event of a complaint we strongly object to the requirement to provide a dispute resolution service to a client with a complaint, at our cost. It is clearly unfair: Our current minimum account size of \$100,000 generates annual revenue to us of a fraction of what the cost of providing the dispute resolution service to such a client. We have no objection to providing access to such service at our cost for a preliminary review of the complaint by a qualified independent third party, but costs past that should be either split or borne by whatever party is in the wrong, as decided by the arbitrator/mediator.

Sincerely,

SIGNED.

Constantine Lycos, CFA
President



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