

May 22, 2007

John Stevenson, Secretary
Ontario Securities Commission
By e-mail: jstevenson@osc.gov.on.ca
Re: Proposed National Instrument 31-103

Dear Sir,

I would like to express my objection to the proposed regulatory changes in NI 31-103, specifically sections 4-14 and 4-18. It seems to me that these sections add no value to my investments and will simply serve to increase fund expenses.

What is the Commission hoping to achieve by these changes? Surely a fund that is using a third party custodian should be exempted from these conditions, to avoid increased costs with no benefit to unit holders. It seems to me that these regulations favour the large main-stream, performance-poor, funds at the expense of the smaller, more innovative, performance-rich funds.

Prior to our retirement, both my wife and I were self-employed consultants. We therefore have no company pension or other benefits. My family is almost totally dependent on income from investments and these investments are in the form mainly of mutual funds. Any increase in costs that are imposed by regulation, will come from our pockets. I am concerned that any increase in extent or complexity in regulation will affect our income. Surely the Commission should focus on a smaller amount of more efficient regulation and not simply more regulation.

Regards,

Geoff Heathcote P.E., M.Sc.
1822 Delaney Drive
Mississauga
ON
L5J 3L1