

Thursday, May 24, 2007

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, ON M5H 3S8
By email: jstevenson@osc.gov.on.ca

RE: Proposed National Investment 31-103

Dear Sir:

I am writing to you in response to the request for comments on the Proposed Instrument NI-31-103. As a mutual fund investor in Ontario with no company pension plan, I rely exclusively on my CPP and investments for my retirement.

Thank you for allowing public comments on the proposed instrument NI-31-103. I would like to express my concern regarding the additional costs that this proposed instrument will impose on mutual funds and small independent investment firms, that are presently registered as ICPM's. The increasing of regulations is harmful to me as an investor, because it increases the cost of doing business and reduces competition by raising barriers to entry for new advisors, thus deterring new advisors and small firms.

I would like to comment specifically to the following sections:

Section 4.14

I believe that the current working capital level requirement is sufficient for firms that do not hold investor money and use third party custodians. Increasing the required level of working capital would hit the boutique fund industry particularly hard in an unfair and unnecessary manner.

Section 4.18

Insuring assets of a fund that has a quality third party custodian does not provide any material additional benefit what so ever, it only increases the funds' cost that will inevitably be passed on the me and reduce my returns. The text as proposed will require double insurance; again more cost transfer to me the investor.

Your information session held May 14 – 15 by the CSA in Toronto introduced NI-31-103 as “The Rule . . . will create a flexible registration regime leading to administrative efficiencies, and reduced regulatory burden for registrants.”

The effect of the two above sections on my investment will be contrary to your stated intent. Therefore, I ask you to reconsider these points or at least allow for the flexibility of informed opting-out.

Respectfully,

Joseph C. Heslip

570 Wellington Street West Suite 5B
Toronto, Ontario
M5V-2X5
E-mail :joeheslip@yahoo.com