

April 21, 2008

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8

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Ontario Securities Commission
SECRETARY'S OFFICE

Dear Mr. Stevenson,

I am an individual who invests primarily in small Canadian mutual funds. I am writing you today to provide my comments on the proposed NI 31-103.

I appreciate that the spirit of this proposal is to better protect the common investor such as myself however I am concerned that proper allowances have not been made to exempt the small fund managers who use independent custodians. If I understand the document correctly, my fund manager will have to carry various forms of insurance for the handling of funds and securities even though they never have direct access to them. The cost of this insurance will ultimately be transferred to me.

I do NOT need any more insurance, especially insurance that is forced upon me by law. I believe that the burden of complying with additional regulations and costs will cause some smaller funds to fold and prevent gifted entrepreneurial fund managers from starting new ones. This reduces competition which is always a bad thing.

I hope that the Commission reconsiders this initiative, focuses on what is best for the average investor and resists the urge to add to the red tape and the costs.

Yours Sincerely,



Russ Blair
Average Canadian