

April 23, 2008

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

Dear Mr. Stevenson,

I am a typical small business owner and employer. My spouse made a financial sacrifice and elected to stay at home and raise our 3 wonderful children. I have no typical corporate benefits such as medical and / or retirement pension plans. Accordingly, our investments in mutual funds are an important and significant component of my family's financial planning and future retirement plans. I rely on the advice of a reputable and certified financial planner to help assist me in choosing the most appropriate investment vehicles, as I believe most Canadians also do. I am very concerned about the changes proposed in NI 31-103.

Items such as the insurance that you propose will increase the already expensive fees charged by mutual funds. I do not understand why when the assets are held with an independent custodian that this additional related cost should be incurred, especially relative to the benefit it provides. Has the Commission estimated how much mutual fund fees will rise as a result of this insurance and the other proposed changes? At some point in time the ultimate cost to the investor of administering these mutual fund pools outweighs the benefit of the portfolio manager's advice. Is the Commission looking to have small Canadian investors scrap their ownership of mutual funds entirely and simply choose their own individual stock investments, or perhaps buy the stock indexes directly? Would this really serve to mitigate the risk to the average Canadian family or be consistent with prudent investment practices?

I have stated this before in previous correspondence and I will state it again, I invest my money in funds with consistent long term track records of positive performance and fair management fee practices. I believe such firms have earned the right to carry on their businesses with as minimal oversight as absolutely necessary and should not be forced to the same common denominator standard as new entrants into the market. I am deeply concerned with respect to some of your proposed regulations which appear to add additional layers of regulatory complexity to an already overly complex and regulated business sector.

I believe that these regulations will be difficult to properly implement, by even the most diligent members of the investment community, and will likely result in an onerous expense for the Investment Fund unit holder and ultimately depressed investment returns. This will be particularly so for smaller entrepreneurial type mutual fund management firms that will have difficulty amortizing the costs of such regulation within their business platforms. This will create a competitive disadvantage for this type of firm which I believe will do significant harm to the overall industry.

The driving force in the Canadian economy in terms of employment, creativity, and innovation has long been the small entrepreneurial firm. These types of firms allow our country to enjoy competitive advantages relative to the global economy and maintain our high quality standard of living. I urge you to reconsider the proposed regulation in the context of smaller firms with good reputations. Please keep our investment management firms focused on improving their businesses and the returns of their unit holders as opposed to managing a complex regulatory environment.

Sometimes the public interest is better served by allowing the public and their skilled advisors to choose who they will place their trust and confidence in.

Yours Sincerely,

Adam Sparks, CFA