

May 15, 2008  
John Stevenson, Secretary  
Ontario Securities Commission  
20 Queen Street West  
19th Floor, Box 55  
Toronto, Ontario M5H 3S8  
By e-mail: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

**Re: Proposed National Instrument 31-103**

Dear Sir:

Thank you for the opportunity to provide commentary on proposed National Instrument 31-103. I am a retired Ontario resident, who primarily invests in small Canadian Mutual Funds, for my only retirement income. It is obvious that I will ultimately have to pay for the costs of the requirements that these instruments impose on investment fund managers, albeit in the name of "better protecting the common investor".

I appreciate that this proposal needs to be thorough, but the excessive bureaucratic nature of the system highlights the inefficiency of the process. It is incongruous that your "objective of modernizing, balancing, and restructuring the registration process, produced approximately 1200 pages of text for review, thus creating **obfuscation**. How can I be expected to review, comprehend and comment on these regulations for which I will ultimately have to pay the cost? This only guarantees **useless employment for legions of bureaucrats, lawyers and insurance agents, who will have to be paid by me** "The Common Investor".

If I understand this document correctly, my fund manager will have to purchase various forms of insurance for handling of funds and securities, even though they may never have direct access to them. I find that this only benefits the Insurance industry (**which we pay far too much for nothing anyway**) and creates an unfair burden on the common investor who will be forced to pay for insurance they don't want or need. My investments are getting smaller and smaller with existing administration fees and falling markets, and this proposed protection instrument will only further decrease my investments!

In "Your Summary" you acknowledge that these rules create barriers to entry, as you state "it is to foster fair and efficient markets", yet, you know that barriers to entry impede efficient markets. I believe that the burden to comply with additional regulations and costs will cause some smaller funds to fold and prevent gifted entrepreneurial fund managers from starting new ones. Again, big investment companies gain monopoly over the common investors. This reduces competition!!! Isn't that what you are trying to protect us from?

You state in Your Summary, "The public comment process is outside the mandate of the Project". How can you get meaningful constructive comments from those who will profit from your imposed rules? It is clear that we the paying investors (who pay your wage for your bureaucratic explorations, administration charges for those rules, and the administration charges for additional insurance costs for fund managers) are being squeezed dry. We are being encouraged by this proposal instrument to invest outside of our own country, to try and gain profits so we can live out our retirement without burdening our fellow taxpayers. What has this government come to?

I also understand there is a move to establish a National Regulatory Board, **so please stop this project now and impose a moratorium on future projects** until this board is in place.

Regards,  
Sandra Heslip