

May 20, 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 Mr. Stevenson,

I will make four simple points regarding the proposed regulation:

1. Overall, the regulation discourages competition. Its complexity and related cost effects, give favour to the large financial entities over those that are smaller and more innovative.
2. The documentation is so difficult to read that only a professional or an individual with a great deal of time can follow the flow of the arguments.
3. The regulation does not properly weigh the value of the costs that it evokes. A specific example of this is the requirement for extra insurance of assets that are held by an independent custodian.
4. More regulation is unlikely to provide more protection. The threats are largely unknown. The existing regulations are adequate. Would energies not be better spent in the creation of a National Securities Commission? .

Regards.

William Daeuber  
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