



Securities Transfer Association of Canada

Robert Mackenzie
Secretary-Treasurer

May 22, 2007

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission

Dear Sirs:

Re: Comments on Proposed National Instrument 41-101 General prospectus Requirements (“proposed NI 41-101”)

Further to your notice and request for comment dated December 21, 2006, we would like to comment on Proposed NI 41-101, in particular on section 5.5 regarding the signing of prospectus certificates where the trustee of the issuer is a corporate trustee. We apologise for the delay in providing our comments. Unfortunately, the proposed requirements did not come to our attention until recently.

The Securities Transfer Association of Canada (STAC) represents all exchange-approved Transfer Agents in Canada. While the issue at hand would not normally be dealt with by STAC, many of our members, acting in a trustee capacity on behalf of many public income trusts and energy trusts, are vitally interested in this issue.

Our concern derives from the current wording in section 5.5(2) of Proposed NI 41-101 which could require the CEO and CFO of the trust company acting as a corporate trustee and two of its directors to sign the prospectus certificate. As currently worded, this requirement will be impractical.

Most of the declarations of trust for energy trusts provide that the trustee will be a licensed corporate trustee appointed by unitholders. These declarations of trust delegate, among other things, the authority to make all decisions relating to public offerings, including the responsibility for executing prospectus certificates, to the board of directors

of the primary operating entity of the trust. Generally, the board of directors of the primary operating entity oversees all operations of the trust's controlled entities and all public reporting by the trust. The corporate trustee's primary responsibilities are typically to hold the assets of the trust and to manage the cash distributions to unitholders. STAC's members, when acting in this capacity, do not believe that their senior officers and directors are in any appropriate position to execute such a prospectus certificate. We suggest that you consider, in the alternative (i) amending paragraph 5.5(1)(b) to read: "on behalf of the trustees of the issuer by any 2 trustees of the issuer or by any two individuals who perform functions for the issuer similar to those performed by the directors of a company" and (ii) deleting or modifying paragraph 5.5(2)(b) accordingly.

We note that subsection 5.5(3) of Proposed NI 41-101 provides an exemption from the requirement of subsections 5.5(1) and (2) in specified circumstances, where the issuer is an investment fund. We would submit that a similar exemption should be provided for issuer trusts that meet the same criteria.

If no such exemption is provided, we would submit that a reasonable transition period would be necessary so that each trust affected by this provision can call a meeting of unitholders to reorganize the trust in order that it may have continued access to public markets. A transition period would also permit our members who act in this capacity to make a considered determination as to whether or not they should continue to act as trustees on existing or future trust mandates, given the significant practical impediments to fulfilling the requirements of section 5.5 of Proposed NI 41-101.

Thank you for your consideration of our comments.

Yours Truly

The Securities Transfer Association of Canada

A handwritten signature in black ink, appearing to read 'W. Speirs', with a stylized flourish at the end.

William J. Speirs
President