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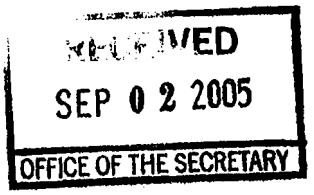
BY TELECOPIER (202.772.9324)

August 31, 2005



Mr. Jonathan G. Katz
Committee Management Officer
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-9303

Re: Request for Public Input by Advisory Committee on Smaller Public Companies
File Number 265-23

We are writing in response to the request for public input by the Securities and Exchange Commission's Advisory Committee on Smaller Public Companies (the "**Committee**"). The Committee has solicited public input on issues related to the current securities regulatory system for smaller companies, including the impact of the *Sarbanes-Oxley Act of 2002* ("**SOX**") on the system. We are pleased to have the opportunity to comment on those issues and thank the Committee for having sought public input.

About

is incorporated under the *Canada Business Corporations Act* and its registered and principal office is located in Toronto, Canada. The Company also operates offices in Los Angeles, the UK, Ireland and Australia. is a broadcaster of specialty (cable) channels in Canada. It also co-owns and co-produces and distributes a limited number of programs in Canada and internationally, including th television franchise. It also holds a 51% limited partnership interest in "), which operates a motion picture distribution business in Canada, the UK and Spain. The remaining 49% of MPDLP is publicly owned by and trades on the TSX under the ticker symbol FLM.UN.

Class A Voting Shares ("**Class A Shares**") and Class B Non-Voting Shares ("**Class B Shares**") are each listed on the Toronto Stock Exchange (the "**TSX**")—trading symbols The Class B Shares had been quoted for trading on the Nasdaq National Market (symbol:) for ten years, but at the Company's request the shares were delisted as of the close of business on July 7, 2005. s Class B Shares are still registered under the *Securities Exchange Act of 1934* (the "**US Securities Act**"). is a 'foreign private issuer' and is subject to the obligations as such a registrant under the US Securities Act.

comparables who are not required to comply with the legislation. No analysts or investors have indicated to us that they have less confidence in the controls of companies comparables which are not required to comply with SOX.

We do not know whether Canadian accounting firms have expertise in performing SOX audits, but we are concerned that there may not be the depth of experience in Canada that exists in the US. Even in the US, we suspect that accounting firms generally have little experience in dealing with SOX and therefore that they are learning at the expense of their clients, with little guidance from the SEC as to what is acceptable and what is not. external auditors, Pricewaterhouse Coopers, will be using two separate teams next year to conduct the audit — one for statutory audit and one for the audit of its internal controls. We believe that this is because the firm lacks the personnel to staff each statutory audit team with SOX experts. We believe that not having an integrated team of auditors, as we understand is the norm in the United States, will increase our audit fees.

Recommendations

The recognition that will have to comply with SOX by 2006 has caused to review and in some cases improve its internal control processes and therefore has provided some benefits to the company and its shareholders. Nonetheless, we would submit that requiring companies like to maintain the control documentation mandated by SOX and to comply with the testing regime currently contemplated by the legislation is overly costly and burdensome relative to the benefits obtained. With that in mind, the following are our recommendations:

1. We would suggest that the Committee revisit the frequency with which small to mid-size companies are obligated to have their key internal controls over financial reporting and disclosure tested and audited. In the first year of certification, we agree that these key controls should all be tested and audited. However, subsequent to the first annual certifications, we suggest that there instead should be certifications with respect to certain key internal controls each year, on a rotating basis, based on the level of risk and importance to financial reporting and disclosure, as is typically done with statutory audits.

2. We would suggest a delay in the implementation date for Canadian public issuers ("CPIs") to bring SOX implementation into line with applicable Canadian legislation. In addition to being subject to SOX, CPIs will be required to comply with SOX-style legislation (Multilateral Instrument 52-111 of the Canadian Securities Administrators). The implementation of that Instrument has been delayed and will apply for fiscal years ending on or after June 30, 2007.

3. As an alternative to our second suggestion above, for companies such as ours which have publicly traded subsidiaries listed only in Canada that would be subject only to Canadian securities regulation but for the parent (e.g. described above), we would submit that the SEC should consider a scope limitation excluding these subsidiaries from the application of SOX until Multilateral Instrument 52-111 takes effect.

4. We have suggested herein that the Committee should consider whether SOX should apply differently to companies based on the size of the issuer. In the alternative or in addition thereto, we further suggest that the Committee consider the nexus of the issuer to the United States in determining how SOX should apply to it. In particular, we suggest that a distinction should be made between a company that is listed for trading on a stock exchange in the United States and a company that is merely a registrant or otherwise required to report under US securities laws, but not listed on a US exchange.

Accounting Standards

We understand that in addition to seeking input related to SOX and its application to small and medium sized companies, the Committee has requested input on accounting standards as they relate to small and medium sized companies.

Most accounting standards applied to large companies are appropriate for small companies, in our view. One exception to this rule, we think, is the fair value based accounting method. Because it requires that companies make assumptions in valuing their assets and because those assumptions can lead to very different conclusions concerning asset values, it is more subjective than the traditional historical cost method, which is based simply on what was paid for the assets in question. This, in and of itself, is a disadvantage of this method. Making matters worse is that, as a result of this greater degree of subjectivity, in our experience, companies using the fair value based accounting method are required to use professionals (valuators, etc.) more extensively. This drives up costs. For smaller companies, in our view, these costs are greater relative to the companies' asset bases than those borne by larger companies. For those reasons, we believe that the historical cost method of accounting is preferable.

Extended dates would be welcome for the implementation of new accounting standards. A number of recent standards have taken us more time to implement than permitted by the standard, specifically FIN 46, FAS 133. These standards are extremely lengthy, complicated and require the assistance of outside consultants to implement. Allowing auditors to provide assistance in the implementation of new accounting standards (which accountants have been reluctant to do for fear of compromising their independence) could reduce costs for a small company as the auditors are most familiar with the company's business and aware of the impact of those new standards.

We believe segment reporting is useful for smaller companies. If the thresholds required for segment reporting are met, we believe there is useful information to be provided to investors. However, the rules-based segmented information reporting standards are often too stringent and frequently result in disclosure which investors are likely to find confusing and of little value in understanding the business operations. We believe this is a problem inherent in the existing standard.

Thank you for the opportunity to provide input on the current securities regulatory system for smaller companies, including the impact of SOX. If you have any questions concerning the foregoing, please do not hesitate to contact me at

Sincerely,