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March 31, 2006

David Wilson,
Chair, Ontario Securities Commission
20 Queen Street West, Suite 1903
Toronto ON
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Re: Chaotic New Shareholder Disclosure Process

Dear Mr. Wilson:

I would like to complain about the new procedures for trying to get annual and quarterly reports out of the companies in my portfolio.

Since this is annual report season, this is frustrating me a lot this year -- The new rules are not working. I understand the waste of paper and postage under the old system, when all investors got paper materials that many of them never wanted and never read.

However, the new system is excruciating for those of us who want to get the information regularly and on time. I'm sick of getting a proxy circular in the mail with no annual report and trying to track one down. How do the companies expect us to vote if we don't get the annual report?

I know that electronic reports are available from company websites and Sedar. I use those resources from time to time (usually for research), but for my owned investments I like hardcopy because I can make notes in it and keep it at hand during the year (or for several years). As for electronic documents, I already sit in front of a computer long enough every day and documents of this complexity are VERY difficult to peruse electronically. It would be prohibitively expensive to print my own hardcopy and it would take 2-3 times the physical space to store it because it would be printed on one side of the paper.

Hardcopy reports are supposed to be available to investors who want them, but the process for getting them has broken down. The new policy has two routes to reduce paperwork:

1. The investor can direct his/her broker whether or not he/she wants to receive paper quarterly or annual reports
2. The companies send out little cards every year demanding a reply (negative option -- no reply; no reports).

I contend that (1) would work just fine by itself, but (2) is a chaotic disaster. There is a flurry of these cards. They are only good for a year. There is no central place to sign up to receive information from a number of firms. Each card (often) requires separate postage or goes to a separate address. The companies and/or the investors can make errors of omission. Some companies use cards and some use a buried line in the proxy form that may or may not come up when internet voting is used. I often have no idea how or whether I will get my reports.

Part (2) is not necessary and is an aggravation when it is negative option. The better balance would be to send quarterly and annual reports to all investors who choose them in Part (1), and get rid of the little cards

of Part (2). Indeed, I don't see why the shareholder list can't contain a permanent record of what form and type of documentation each investor wants – it would be much simpler than this plethora of options.

The pendulum has swung too far in favor of the companies. Those of us who want hardcopy to read and annotate are the investors that develop insights and often help others make decisions -- yet we are treated very badly under this system.

The regulators need to realize the process can have the effect of disenfranchising the investors who care the most about financials and governance. It's another example of how the industry does what is convenient for it and makes life difficult for the investors/owners. And, all the regulators do is help them do it. I can't believe there were real investors on the panel that recommended this anti-investor approach.

The contrast with my US based companies is striking. I always get the annual report, 10-K, proxy circular and proxy form all in one package. How is it that Canadian investors get better information (and protection, but that is a whole different subject) from the SEC with respect to US investments than they do from the OSC with respect to Canadian investments? It is time to stop being different for the sake of being different. There is value in common standards.

I hope the OSC can bring order to this chaos.

Respectfully submitted,

Original Signed by

Tony Paine
Private Investor