

**53 Castle Frank Road  
Toronto, Ontario  
M4W 2Z5**

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Tom

Further to my last note to you, I have continued to give your project some thought. Recognising that many others may be doing the same, I would ask you to consider the following:

- There is a clear need for “national” securities regulation.
- Constitutionally, however, any national securities commission plan that entails any erosion of provincial powers is doomed. While some provinces might accept the idea, a number will not. In particular Quebec is very unlikely to accept any national plan that impairs its constitutional authority in the area.
- While the interest of the Government of Canada to act as promoter of a national securities commission and to play a role in same is understandable, constitutional reality precludes this. The largest role that the Government of Canada can play is facilitator.
- Many of the benefits of a national securities regulator could be accomplished by further collaboration by the members of the existing CSA. In particular, if the members the CSA collaborated on the administration of harmonised securities laws we would have a *de facto* national securities administrator.
- The attached Concept Proposal sketches the form that such an arrangement might take.

Best regards

F. David Rounthwaite