

March 15, 2002

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Officer of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario
M5H 3S8

Following is Dundee Securities Corporation's response to the Ontario Securities Commissions request for comments on the Multilateral Instrument 31-102-National Registration Database (NRD), Multilateral Instrument 33-109-Registration Information Requirements and Companion Policy 33-109CP to MI 33-109:

The two proposed dates for data transfer and the NRD launch (October 2002 and December 2002 to January 2003) run into a busy time of the year for dealers. The number of registrations being processed tends to increase in the Fall as registrants prepare for RSP season. The deadline for the majority of provincial renewals now falls in December of each year. In addition to processing new applications, firms are busy reconciling records and preparing the required documentation for license renewals. Furthermore, the proposed dates coincide with the financial year-end for many firms. Proposing to introduce a new registration system, effecting various departments of a firm, during an already busy time of the year places an unnecessary burden on those firms. Among other considerations, new programs invariably have bugs that need to be worked out, records will need to be reconciled and staff will need time to become accustomed to the new system and attendant procedures that will go with it.

The data transfer and launch dates should be planned for the Spring when there will be time to work through the various challenges connected with the introduction of the NRD without creating an added burden to the firms.

The transition period described in Section 8.5 of MI 31-102 proposes that firms should populate the NRD with historical data according to a specific schedule of Form 33-109F4 submissions. The expectations for filing applications as outlined in this schedule are unrealistic, especially for large firms. Furthermore, firms should not be responsible for submitting completed Forms 33-109F4 and bearing the costs involved in such a project, in order to populate the database with information that the regulators already possess. At the very least, if firms are to be expected to input historical data, the NRD fees should be reduced in order to offset the costs that the firms will have to incur in order to do so.

Firms are currently expected to pay the existing registration fees as prescribed by each individual regulator. In addition, firms are being asked to pay an annual NRD filer fee of \$75 for individuals registered in a single jurisdiction and \$50 for each additional jurisdiction in which the individual is registered. The additional \$50 per jurisdiction is onerous. If these fees are being applied in an effort to cover the cost of the development of the NRD, the fees should be substantially reduced after a prescribed period of time.

Part 2 of 33-109CP proposes that the firms should be responsible for exercising due diligence to determine whether or not the information provided by the applicant on Form 33-109F4 is true. Are firms expected to conduct and bear the cost of criminal record and credit checks?

The registration forms currently in use must be sworn before a Notary Public or Commissioner of Oaths. Form 33-109F4, as currently presented, does not provide for a clear statement from the applicant attesting to the truth of the information that is being provided. The form appears to place this responsibility on the firm's AFR. The firm's AFRs cannot be made accountable for the truthfulness of the applicant's statements.

The regulators are currently proposing that, when an applicant transfers from one firm to another, the applicant or the new firm must obtain his/her individual NRD number from the previous employer. The US system allows for the current employer to obtain this information from the registration database. Why are firms being asked to acquire this information outside of the system? Is it not possible for a firm to obtain the NRD number without accessing the applicant's entire record?

Yours truly,

Frank Hurst
Senior Vice President, Compliance