

June 20, 2007

Via Email:

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**Re: Proposed National Instrument 31-103 Published for comment on Feb 27, 2007**

Gentlemen:

We would like to provide comments on the above proposal from a start up hedge fund view.

With regard to the new categories of registration, we feel that there is a duplication in registration. We will be required to be registered as a Portfolio Manager, an exempt market dealer and as an Investment Fund Manager. This will increase the amount of regulation and administration without increasing the investor protection in any way. It would not be an effective way to deal with the risks inherent in the fund management business and offers no benefits to the clients.

Secondly, in regards to the increase in capital requirements, this will not offer increased protection to investors in any way. It is just a money grab and increase in expenses to smaller funds.

Sincerely yours,

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