



June 16, 2003

Marie Christine Oswald  
Vice President, Investigations & Enforcement  
Market Regulation Services Inc.  
York Centre, Box 939  
900-145 King St W  
Toronto, ON M5H 1J8

Dear Marie:

**Re: Insider Trading Task Force (ITTF) and the CBA**

The CBA received your memo of April 9, 2003 regarding the preparation of a “summary of Best Practices for lawyers and their firms” to prevent leakage of confidential insider information acquired in the course of representing corporate clients. The CBA asked Cathy Wade, Ken Wiener and me to consider the request from the ITTF and devise an appropriate response. We met on June 3 and decided to seek clarification of the need for a “Best Practices” approach.

The law firms that are involved with clients who may have material undisclosed information relating to publicly traded entities are aware of the insider trading laws. Each of those firms has policies which address the insider trading questions, directly or indirectly, tailored to the culture of the firm. We are not aware of any regulatory body that has considered those policies or found them inadequate. It would appear that the existing policies, which differ from firm to firm, are doing an adequate job. Accordingly, for the CBA to suggest a “Best Practices” summary would appear to be intrusive and perhaps even counterproductive as the current policies benefit from case-by-case and firm-by-firm tailoring.

Perhaps there is evidence, of which we are unaware, that suggest the existing arrangements need correction. Could you please advise us of the situations you are aware of that present some clear and present problems which need to be addressed. I do not mean this letter to be uncooperative but, on reflection, fear greatly to harm by intrusion rather than to help. The CBA is anxious to help if that help is needed but must be cautious before suggesting changes to arrangements which appear to be performing well.

Yours truly,

*Original signed by Joan Bercovitch for W. Grover*

Warren Grover