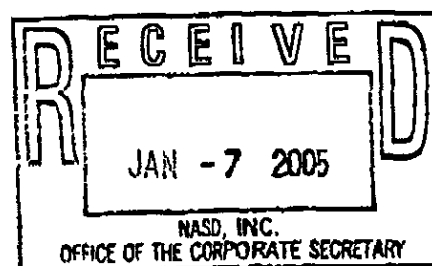




THE CANADIAN
INSTITUTE OF
CHARTERED BUSINESS
VALUATORS



January 6, 2005

Ms. Barbara Z. Sweeney
Office of the Corporate Secretary
NASD
1735 K Street, NW
Washington, DC 20006-1500

Fairness Opinions Issued by NASD Members – Request for Comments

Dear Ms. Sweeney:

The Canadian Institute of Chartered Business Valuators (CICBV) is pleased to submit this letter in response to the above-referenced Request for Comments issued by the NASD in November, 2004.

One of the important goals of the CICBV is to maintain our position as the pre-eminent Canadian organization setting professional and ethical standards and regulating the conduct of professionals engaged in the full-time practice of business and securities valuation in Canada. We share the NASD's general concern that the present level of disclosure in fairness opinions may not provide sufficient information to shareholders in a number of areas. In particular, disclosure is often lacking with respect to the potential real or perceived conflicts of interest (or "bias", as referred to in the Request for Comments) underlying the preparation of a fairness opinion. Our comments are restricted to this particular aspect of fairness opinion disclosure and practice.

In brief, we believe that any regulation of the content of fairness opinions (and therefore the internal control/governance procedures underlying their preparation) should be based on an overall standard of disclosure having a well-tested and accepted basis under existing securities regulation. A logical formulation of this standard would be, for example, the general principle of "materiality". Consistent with this philosophy, members of the CICBV currently follow the general standard that any fairness opinion should provide the principal reasons supporting the opinion conclusion in sufficient detail to allow the reader to understand the basis of the fairness opinion and to form a reasoned view on the opinion conclusion.

In applying this overall test to the specific NASD concern of "bias" inherent in some fairness opinions, we believe that it logically follows that any fairness opinion



should disclose material past, present or future relationships between the preparer of the fairness opinion and any interested party which may be relevant to the preparer's independence. The issue of "bias" can arise for a number of reasons, including fees, or personal and professional relationships. We suggest that any disclosure requirements specific to the issue of bias should be principles-based, rather than line-item or rule-based, to be flexible enough to accommodate these various types of circumstances.

In summary, the CICBV supports the NASD's efforts to provide more informative fairness opinion disclosure to investors, particularly as it relates to matters of independence.

We enclose with this letter a publication prepared by the CICBV that provides some background to our organization. We hope that you find it useful.

Thank you for considering our views. For further information regarding these matters, please do not hesitate to contact me (at 416-941-8295) or Ms. Jeannine Brooks, our Executive Vice-President (at 416-204-3461).

Very truly yours,

Tony Cancelliere
President

cc: Ms. Jeannine Brooks, Executive Vice-President