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April 6, 2000
File/Matter No.: 1630765/0012

VIA FACSIMILE, COURIER AND SEDAR

The Administration and Document Management Section
Ontario Securities Commission
20 Queen Street West
P.O. Box 55, 18th Floor
Toronto, Ontario
M5H 3S8

Dear Sirs:

Re: Perigee Investment Counsel Inc. – Notice pursuant to subsection 217(1) of the Regulation to the *Securities Act* (Ontario) and subsection 73(1) of the Rules under the *Securities Act* (British Columbia) and Application pursuant to subsection 5.5(2) of National Instrument 81-102

Summary of Application

We are solicitors of Perigee Investment Counsel Inc. ("Investment Counsel"), a wholly-owned subsidiary of Perigee Inc. ("Perigee"), and on its behalf hereby:

(i) provide notice pursuant to

(a) subsection 217(1) of the Regulation under the *Securities Act* (Ontario) and

(b) subsection 73(1) of the Rule under the *Securities Act* (British Columbia)

(collectively, the "Notice Requirement"); and

(ii) apply for approval (the "Approval") pursuant to subsection 5.5(2) of National Instrument 81-102 (the "Rule") in accordance with section 5.7 of the Rule

in connection with the proposed merger of Perigee and Legg Mason, Inc. ("Legg Mason"), as discussed below.

In accordance with section 5.7 of the Rule, the Approval is being sought under the Mutual Reliance Review System ("MRRS") from the Director of the Ontario

Securities Commission (the "Commission") and from the securities regulatory authorities in British Columbia, Alberta, Manitoba, Quebec, Nova Scotia and New Brunswick (collectively, the "Decision Makers"). Pursuant to the guidelines in the Rule, Perigee has selected Ontario to be the principal jurisdiction to review this application and, if deemed appropriate, to grant the Approval in respect thereof.

Merger with Legg Mason

On March 9, 2000, Perigee, Legg Mason and Legg Mason Canada Holdings Ltd. ("Legg Mason Canada"), an indirect wholly-owned subsidiary of Legg Mason, entered into a merger agreement (the "Merger Agreement") pursuant to which Legg Mason will (through Legg Mason Canada) acquire all of the outstanding common shares and Class M shares in the capital of Perigee pursuant to a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Ontario). The common shares of Perigee are listed on the Toronto Stock Exchange (the "TSE"). A copy of each of the press release dated March 10, 2000 and the material change report of Perigee dated March 17, 2000 are enclosed for your information.

A meeting of Perigee shareholders is scheduled for May 18, 2000, and a management information circular of Perigee will be mailed to Perigee shareholders on or about April 14, 2000. It is intended that the effective date of the Arrangement will be May 26, 2000.

Pursuant to the Arrangement, each shareholder of Perigee (other than Legg Mason and its affiliates or dissenting shareholders) will receive 0.387 of an exchangeable share of Legg Mason Canada (the "Exchangeable Share") for each share of Perigee held (the "Exchange Ratio"). The Exchange Ratio is subject to adjustment in certain circumstances. Each Exchangeable Share will be exchangeable for one common share of Legg Mason (the "Legg Mason Share") at any time at the option of the holder, and in certain circumstances at the option of Legg Mason, and in any event automatically on the fifteenth anniversary of their issue. The Legg Mason Shares trade on the New York Stock Exchange.

Following completion of the Arrangement, Legg Mason (through Legg Mason Canada) will control all of the outstanding shares of Perigee. Investment Counsel will continue to be wholly-owned by Perigee.

Facts

Investment Counsel is registered as a dealer in the category of mutual fund dealer in the provinces of Ontario, British Columbia, Alberta and Manitoba and as an advisor in the category of investment counsel and portfolio manager in the provinces of Ontario, British Columbia, Alberta, Manitoba, Quebec, Nova Scotia and New Brunswick. Investment Counsel is the promoter, distributor and manager of 23 trusts (the "Perigee Funds") established under the laws of Ontario.

The Class A units of 17 of the Perigee Funds are qualified under one simplified prospectus and annual information form dated July 23, 1999 and known as the Perigee Galaxy Funds. The Class B units of 14 these 17 Perigee Funds are qualified under another simplified prospectus and annual information form dated June 23, 1999 and known as the Perigee Mutual Funds. The remaining six Perigee Funds, which are qualified under a separate simplified prospectus and annual information form dated June 23, 1999, are known as the Perigee Private Client Funds. The Perigee Funds are reporting issuers in the provinces of Ontario, British Columbia, Alberta, Manitoba and Quebec and they are not in default of any of the requirements of those jurisdictions.

The business carried on by Investment Counsel is managed on a full-time basis by Perigee Partners (the "Partnership") and, in return, the Partnership is paid an annual management fee, all in accordance with the terms of an amended and restated management agreement dated as of April 30, 1998 (the "Management Agreement"). The Partnership is registered as an advisor in the category of investment counsel and portfolio manager in the province of Ontario, with Investment Counsel as its sole client.

The Partnership comprises 13 holding companies (the "Company Partners"), each one controlled by a senior professional (a "Senior Principal") who is not an employee of Perigee or Investment Counsel.

The partnership agreement governing the Partnership (the "Partnership Agreement") provides that each Company Partner must be controlled by its Senior Principal and that the only other permitted shareholders of such a Company Partner could be the Senior Principal's spouse and/or children. The Partnership Agreement also provides that each Senior Principal and its Company Partner must devote their full time and attention to the business of the Partnership, which in turn is required under the Management Agreement to provide its full time and attention to the affairs of Investment Counsel. The Senior Principals together with 22 other professionals who are employees of Perigee comprise Perigee's management team (the "Management Team").

Legg Mason is a global financial services company, with its core businesses being investment advisory services, securities brokerage and capital markets. In the last 15 years, Legg Mason has completed a number of acquisitions of investment managers and, in connection therewith, has sought to preserve the acquired management teams, in their prior capacities, and enable them sufficient independence to continue to operate substantially as they had prior to the acquisition.

It is proposed that, upon completing the Arrangement, the Management Agreement and the Partnership Agreement will be amended and pursuant to such amended agreements, Investment Counsel will continue to carry on business as presently carried on, with the Management Team remaining intact and continuing to manage the business of Investment Counsel.

Notice will be given pursuant to section 5.8 of the Rule to the unitholders of each of the Perigee Funds. It is expected that this notice will be mailed to unitholders no later than April 14, 2000.

An application dated March 7, 2000 (and supplemented by further submissions dated March 16, 2000 and March 22, 2000) (collectively, the "Application") was made to the Decision Makers and an order dated March 28, 2000 was granted, abridging the notice period under section 5.8 of the Rule from 60 days to 40 days. A copy of the Application is enclosed, and provides further detail and information with respect to Perigee, Investment Counsel, the Perigee Funds and the Arrangement.

Notice Requirement

We trust that this application fulfills the Notice Requirement.

Application for Approval

With respect to our application for Approval, we refer to the Application, which provides what we believe are sufficient details requested by subsection 5.7(1)(a)(i, ii and vi) of the Rule. Subsection 5.7(1)(a)(iii, iv and v) requests particulars on the partners, directors or officers of Legg Mason which are not provided in the Application or herein. In that connection, we provide you with a copy of the Legg Mason Form 10-K Annual Report for the Year ended March 31, 1999 and refer you to pages 14-16.

For the reasons stated in the Application (see page 8 of the application dated March 7, 2000), we believe that there should be no concern on the part of the Decision Makers with respect to the proposed change in control of Investment Counsel as that change relates to Investment Counsel as registrant or as it relates to Investment Counsel as manager of the Perigee Funds.

Other Matters

1. Attached as Schedule A to this application are signed verification statements on behalf of Perigee and Investment Counsel.

2. We have also attached copies of:

    (a) the press release of Perigee dated March 10, 2000;
    (b) the material change report of Perigee dated March 17, 2000;
    (c) the Application; and
    (d) Legg Mason's Form 10-K Annual Report for the Year ended March 31, 1999.

3. As stated above, it is intended that the Arrangement become effective on May 26, 2000. We would therefore appreciate your review of this letter at your earliest convenience.

Fee

1. Pursuant to the MRRS, a copy of this application and the requisite filing fees will be filed in Ontario, British Columbia, Alberta, Manitoba, Quebec, Nova Scotia and New Brunswick concurrently.

Should you have any questions or require any further information regarding any of the foregoing, please do not hesitate to contact the undersigned at 868-3431 or Cathy Singer of our office at 868-3472.

Yours very truly,

FASKEN MARTINEAU DuMOULIN LLP

"Jodi Katz"

Jodi Katz

JK/dlc

Encl.

c. Cathy Singer, Fasken Martineau DuMoulin LLP
Alex Wilson, Perigee Inc.
Elizabeth Ng, Perigee Inc.
Margaret McNee, McMillan Binch

Schedule "A"

VERIFICATION STATEMENT

We hereby authorize the making and filing of the attached application by Fasken Martineau DuMoulin LLP on our behalf and confirm the accuracy of the factual information contained therein.

DATED the 6th day of April, 2000.

PERIGEE INC.

"Alexander J. Brown"

Per: ______________________________________
Name: Alexander J. Brown
Title: Director and Chief Financial Officer

PERIGEE INVESTMENT COUNSEL INC.

"Alexander J. Brown"

Per: ______________________________________
Name: Alexander J. Brown
Title: Director and Chief Financial Officer