January 14, 20014

British Columbia Securities Commission ("BCSC")
Alberta Securities Commission ("ASC")
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick) Nova Scotia Securities Commission
Prince Edward Island Securities Office
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities, Government of the Northwest Territories
Legal Registries Division, Department of Justice, Government of Nunavut

Attention: Larissa Streu, Senior Legal Counsel, Corporate Finance, BCSC (lstreu@bcsc.bc.ca)
Tracy Clark, Legal Counsel, Corporate Finance, ASC (tracy.clark@asc.ca)

Dear Sirs/Mesdames:

I am writing in response to your request for comments on the proposed exemption to broaden the definition of "accredited investor".

Generally, my view has been consistent that Government, through agencies such as the BCSC and the TSXV, should not govern the conduct of investors by the imposition of limits on investment or otherwise interfere in the free flow of the market place in the determination of when an investor may exercise his decision to purchase treasury shares or to sell them in the open market.

Publicly traded companies are responsible to maintain current disclosures but are still required to file an Offering Memorandum (OM) in order to sell offering to "non-accredited" investors without limits or advice from an Investment Advisor. These ongoing, costly obligations should allow Publicly Listed Companies to forgo an OM. The adult public should not be limited by Regulators, the amount of oversight already in place should be sufficient to allow financing to be offered without restrictions.

Maintain the OM obligations for private companies but in order to justify the costs, responsibilities and oversights imposed on publicly listed companies, open access to public funding should be allowed. A risk acknowledgement form should be signed off by investors in either case as opposed to imposing liability on Investment Advisors. Investors need to understand that all investments involve risk and there is always the potential for loss. Accepting that a potential loss goes hand in hand with the potential for profit, the risk/reward element is unavoidable.

1. If you are a TSXV issuer, will you use the proposed exemption?

The proposed exemption will be welcomed by all issuers. Any break from the current regulations that allows easier access to funding will be welcomed.

2. Should the proposed exemption be available to issuers listed on other Canadian markets?

The real test should be that the exemption should be available to all compliant issuers and not be a function of the trading platform where its shares are listed.

3. Investors will only be able to invest $15,000 in a 12-month period unless they obtain advice from a registered investment dealer. Is $15,000 the right investment limit?

Accessing financing offered by listed companies should be available to the public without prejudice.

4. In what circumstances would it be suitable for an investor that is a retail security holder to invest more than $15,000 in a TSXV issuer?

With all material facts made available through a listed companies filings each individual investor must access their own risk tolerance and make that decision based on what is appropriate to the individual.

5. Do you agree that there should be no investment limit if an investor receives suitability advice from a registered investment dealer?

The CSA appears to be looking for a “Scape Goat” to hold responsible for all complaints. Investors also need to be held responsible for their decisions by signing the risk acknowledgement documents.

6. Do you agree that being a current security holder of an issuer enables an investor to make a more informed investment decision in that issuer?

Absolutely.

7. What is the appropriate record date for the exemption? Should it be one day before the announcement of the offering or should it be a more extended period? If you think it should be a more extended period, what would be the appropriate period of time?

This question is irrelevant if the OM is no longer needed by listed companies.

8. We are currently proposing that the exemption be subject to the same resale restrictions as most other capital raising exemptions (i.e., a four month restricted period). However, there are some similarities between the proposed exemption and the rights offering exemption, which is only subject to a seasoning period.

a. Do you agree that a four month hold period is appropriate for this exemption?

I have never understood the reason for a 4 month hold period other than it allows the Company to further corporate development before having to deal with potential market pressures from the dilution created by the funding .

b. Should we require issuers to provide additional continuous disclosure, such as an annual information form?

This is the area where regulators should concentrate instead of imposing artificial restrictions on an investor's decisions. Practically, most issuers voluntarily disclose all relevant information on their respective websites which are not mandatory. Additionally, investors have access to filings on SEDAR and MD&A reports so our view is that there presently exist sufficient disclosure venues.

c. If we were to consider a seasoning period for this exemption, should we consider some of the restrictions that apply under a prospectus-exempt rights offering, such as "claw-backs" limiting insider participation?

Impose a 4 month hold on the insiders and allow the public stock to be free trading.

Regulators should restrict their activities to requiring issuers to comply with full true and plain disclosure requirements and compliance with existing law. To preclude an insider from participation in a treasury

offering is inference in the rights of a citizen to make an investment decision and additionally fetters the rights of an issuer from making the same offering available to all shareholders on identical terms.

d. If securities offered under the exemption were only subject to a seasoning period, would there be a greater need to ensure investors are made aware of and have an opportunity to participate in the offering?

If you suggest that all equity offerings from treasury should be made available to all shareholders, I don't disagree but why involve a "seasoning period" My view is that any hold period or seasoning period is an unwarranted interference in the relationship between issuer and its shareholders.

9. I have not proposed any conditions regarding the structure of the financing, i.e., minimum or maximum price, maximum dilution, or period in which an offering must be completed. We contemplate that the proposed financing would be conducted under the standard private placement rules of the TSXV which, among other things, allow pricing at a discount to market price. Is this appropriate or are there structural requirements that we should make a condition of the exemption?

We do not agree that a regulator should impose artificial restrictions on the offering price of a treasury security. The practice of the TSX-V Exchange is currently a major impediment to issuers' ability to finance because of the definition of "Discounted Market Price" inclusive of the following provisions: (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of $0.05).

Currently because of depressed market prices, this artificial minimum price at which a financing may be undertaken constitute the greatest impediment to financing junior issuers.

Investors should have the freedom to purchase treasury shares from an issuer at a price established by the market based upon bid/ask transactions. We urge the BCSC to deal with the TSX-V Exchange to revise its policies to respond to market conditions.

Yours truly

Donald Mosher