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VIA ELECTRONIC MAIL

British Columbia Securities Commission
Alberta Securities Commission
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 (lstreu@bcsc.bc.ca)
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission

Dear Sirs/Mesdames:

Re: *Comments on Multilateral CSA Notice 45-312 – Proposed Prospectus Exemption for Distributions to Existing Security Holders*

I write in response to your request for comments in this regard.

Firstly, a general comment. Given that retail investors can buy an unlimited number of securities of TSXV listed issuers on the secondary market – based on the issuer's continuous disclosure record, without any additional disclosure either provided by the issuer or otherwise available to the retail investor – my view is that the continuous disclosure record should also be sufficient for an existing shareholder of the issuer to purchase securities of the issuer on a prospectus exempt basis.

My responses to the questions posed in the November 21, 2013 request for comments are as follows:

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

Not applicable as I am not an issuer.

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

Yes. I do not see why it would not apply to issuers listed on other Canadian markets if their continuous disclosure record is up to date as required under securities legislation.

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?*

Whether a retail investor invests through the secondary market or under the proposed exemption, my view is that the amount of the investment should be up to the investor.

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?*

My comment under question 3 above applies – retail investors make their own decisions as to what amount they will invest through the secondary market, so my view would be to let each individual make his or her own decision, based on individual circumstance, of the investment amount on a prospectus exempt basis.

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

My prior comments on questions 3. and 4. apply.

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?*

No, I do not agree. Unless the current shareholder is an insider of the issuer, or unless the issuer is in breach of its continuous disclosure obligations and is providing information to its shareholders that it is not filing with regulators, non-insider shareholders typically have no more access to information than a retail investor who relies on the issuer's continuous disclosure record when making an investment decision.

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?*

I agree with the record date being the day before the announcement of an offering.

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?

Yes – given the potential for a price discount to the market price and of “sweeteners” such as warrants, a four month hold period is appropriate, as with other typical capital raising prospectus exemptions.

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

Absolutely not. The November 21, 2013 request for comments states: “Market participants report that TSXV issuers are not conducting prospectus offerings or using prospectus exemptions to sell to retail investors because of the time and cost involved in preparing the required offering document. This is exacerbated by the risk of a failed financing – they must incur significant up-front costs that are payable regardless of the success of the financing.”

If the intention of the proposed exemption, as I understand it, is to provide TSXV issuers with an opportunity to access a potential source of capital that they currently do not have access to, burdening the issuer with the time and cost involved in preparing an additional continuous disclosure document, such as AIF, would defeat the purpose.

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?

I do not believe a seasoning period is appropriate for such an exemption and reiterate my comment under 8.a. above.

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?

I reiterate my comments under 8.c. above.

9. *We 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?*

I believe it appropriate to allow financings in reliance on the proposed exemption to be conducted in compliance with the TSXV private placement policy. The purpose is defeated if undue burden (time and cost) is placed on issuers by having to comply with two different regimes.

Please feel free to contact me if you wish to discuss or clarify any of my responses.

Yours truly,

“Zahra H. Ramji”

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