



March 17, 2014

To: Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon
Superintendent of Securities, Nunavut

To: Leslie Rose
lrose@bcsc.bc.ca

The Secretary
Ontario Securities Commission
comments@osc.gov.on.ca

Anne-Marie Beaudoin
consultation-en-cours@lautorite.qc.ca

Re: CSA Requests for Comments on NI 45-106

Dear Sirs,

I would like to thank the CSA for continuing to advance the necessary changes to assist all Issuers to access capital in an efficient and expedited manner

However, in trying to address some of the shareholder protection issues, the CSA has proposed additional requirements that make the situation worse than it currently is and will unfortunately, possibly reduce access to capital.

The proposed changes that I agree make sense to include, are as follows:

- 1) New risk acknowledgement form, as this is easily included in the current subscription agreement and it adds more disclosure but no more work.



- 2) Creating the permitted client designation and then exempting the Form 45-106 F9 filing probably does not help much as it may be difficult to monitor who is a permitted client.
- 3) Not an issue to include the category of the investor in the Form 45-106 F1.
- 4) Family Trust inclusion is a good one.
- 5) OSC revised definition of an accredited investor is a good one.
- 6) Changes to MA Exemption are no problem as individuals can use the AI Exemption.

The changes that I think will cause issues and loss of access to capital are as follows:

- 1) The most time consuming, difficult and unnecessary change is the requirement of the salesperson or finder to sign the Form 45-106 F9. This adds a significant burden to the issuer on a time, cost and compliance basis, both from its own processes and the salesperson compliance process, as it doubles the number of signatures required and the number of people to contact. Not all sales fees are directly related to a specific order. Many times fees may be split between the finder and salesperson; the investor may buy the issue through several accounts. Sometimes the sales fees are paid for general introduction as well, and numerous times there are last minute changes to the places. I predict this one change alone will cause the access to capital to diminish, and the time for closing could easily double.

In my opinion this is a bad and unnecessary change to the process.

- 2) The Issuer should not be required to verify accredited status. The whole purpose of the risk acknowledgement form was for the investor to be completely informed of the definition. Making the Issuer verify will again drastically slow the process, result in privacy concerns by the investor, and open the Issuer to liability claims from an investor, based on their own actions and representation. The commissions need to recognize that the investor needs to take some responsibility for their actions. This proposed change will cause numerous problems, such as a significant increase in the costs of legal counsel to review every form and contact each investor.
- 3) In a paper provided by Stikeman Elliot, they also advise that the NI 45-106 F9 Form needs to be kept for eight years. This is a ridiculously long time and is unnecessary, even tax records are only kept for seven years.



These two significant negative suggested changes which I think are unnecessary, will unfortunately set the process backwards, increase costs and time, and also decrease access to capital.

Please reconsider these changes for the benefit of the Issuers who require capital.

Sincerely,

A handwritten signature in black ink, appearing to be "Gordon Keep".

Gordon Keep
CEO
Fiore Management & Advisory Corp.

Cc: TSXV Zafar Khan
zafar.khan@tsxventure.com