



May 28, 2014

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority (Saskatchewan)
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

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Re: CSA Notice and Request for Comment Proposed Amendments to NI 45-106 Prospectus and Registration Exemptions Relating to the Accredited Investor and Minimum Amount Exemptions

Dear Sir or Madam,

NEMA is pleased to present the following commentary on the proposed amendments to the Minimum Amount (MA) and Accredited Investor (AI) exemptions.

About the National Exempt Market Association (NEMA)

Originally founded in 2011 as the Western Exempt Market Association, we are an organization dedicated to the growth of the exempt market's public profile and the improvement of its reputation. Through our members, NEMA has firsthand insight and knowledge of the operation and corresponding needs of the retail based exempt market in Canada.

Like yourselves, NEMA seeks a proper balance between protection of investors and accessibility of capital for the business community. NEMA advocates for securities regulation that works in practice, not in theory, for the benefit of investors, industry, and the Canadian economy.

Minimum Amount (MA) Exemption

While we are generally opposed to a reduction or revocation relating to exemptions from prospectus requirements and are hesitant to support initiatives that reduce access to capital, we are completely in favour of the revocation of the Minimum Amount (MA) exemption as it relates to individual investors.

We are of the opinion that the minor reduction in access to capital resulting in the revocation of this exemption for individuals is well worth the increased investor protection its revocation provides as it will accomplish the goal of reducing the risk of individual investors over-concentrating investable assets in one investment.

Accredited Investor (AI) Risk Acknowledgement Form

We are fully supportive of the proposed addition of a risk acknowledgement form for individual Accredited Investors.

As an organization, we are fully in favour of investors being given the information they need to make informed decisions and in fact would encourage regulators to look at adopting a form of risk acknowledgement agreement across the investment industry including implementation for both IIROC and MFDA members.

Conclusion

Given Ontario's pending adoption of the Offering Memorandum exemption and its current existence in the balance of Canada, we feel that the reduced access to capital from the revocation of the MA exemption for individuals can more than be offset and via a mechanism that allows investors to make informed investment decisions and invest amounts prudent to their circumstances, often with the benefit of a registrant.

Investor sophistication, risk tolerance, and investment suitability can only be determined through discussion with the investor. We feel that arbitrary wealth thresholds and limits, whether it be minimums or maximums, are antiquated for this market when clients have the benefit of investing with a registrant through the suitability paradigm.

Regards,



Craig Skauge

President & Chair



Cora Pettipas DBA (candidate) , CFP, CIM, MSc, FCSI

Vice President