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The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8

**Re: CSA Proposed Amendments Relating to the Offering Memorandum
Exemption**

Dear Madams:

I am writing to comment on the proposed amendments to NI 45-106, in particular the proposed annual investment limits for non-accredited investors.

The proposed CSA contribution limits for exempt market investors under the OM exemption would be a step backwards from the NI 31-103 regime that was implemented just 3 years ago.

Investor Protection Mechanisms already in place

- Over the past 3 years, a great deal of input from securities lawyers, CFA's, EMD's, CCO's and the securities regulators themselves, went into creating NI 31-103 to increase investor protection.
- The KYC, KYP and suitability obligations now in place add many layers of compliance with regards to investor trades in the Exempt Market. DR's licencing requirements, ongoing training, client education, EMD's and their CCO's strict guidelines for approval

processing before any transaction can be finalized. (The ASC receives each transaction in their monthly reports from the EMD's and they have the ability to audit both the EMD's and DR's.

45 Years' Experience

I have been a financial planner since 1969 and a mutual fund representative until December 2009. I realized over the years that the stock markets ongoing fluctuation were causing great risk and mental anguish to my clients overall financial health.

The introduction of the exempt market to eligible investors that meet suitability requirements has led to greater and more consistent returns. Many of my clients have their goals set for the next 10 – 30 years utilizing a combination of public and private markets. A \$30,000 / year restriction would be detrimental for these clients' current and future investments and retirement needs.

Cap Risks to My Clients

Clients would be unable to properly diversify if they can only put \$30,000 per year into the Exempt Market. Many of my clients have worked hard and saved a significant sum of capital for their retirement. In many cases, a \$30,000 cap would represent a very small percentage of their overall Net Financial Assets.

Clients with larger amounts of investible assets who are looking to move money out of public markets or a pension plan will not be able to deploy all their capital in the same year and this leaves them vulnerable to the volatility of public markets.

Clients who are successfully exiting out of projects where they have already invested more than \$30,000 would not be able to re-invest the full amount of their capital and or growth into the same Exempt Market that offered them the successful, profitable experience in the first place.

My client's financial retirement plans are already set with the current exempt market regulations.

Pension Plans

Currently major Canadian Pension Funds such as, AIMCO and CPP, are increasing their commitment to private investment due to the steady, predictable, real returns. Individual investors who are not members of pension plans, which is many Canadians, would be restricted from such informed, knowledgeable investment options.

Increased Risk to Issuers

The proposed cap of \$30,000 / year for investors in the exempt market will increase the risks of their current and future investments with Exempt Market Issuers. Access to capital is vital for

small and medium sized Canadian firms to grow and continue their mandate as set out in the OM when investors made their choice to add them to their portfolios.

Exempt market issuers create jobs and jobs create taxes for the government. An example is Prestige, who successfully developed the Hilton hotels at the Calgary Airport with investors in the Exempt Market.

Canadian Charter of Rights and Freedoms

In discussions with some of my clients who are lawyers regarding the proposed amendment changes to NI 45-106 could border on “unconstitutional” and may be challenged in our courts.

Canadian investors historically have never been interfered with by government regulators as to where and how much they may invest and I believe capping an investor’s right to invest their hard earned money is a violation of their chartered rights and freedoms.

Thank you for taking the time to review my concerns and if you require any further insight, please contact me at [REDACTED].

Regards

John Evans