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Objet : 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.

Suitability

The proposed caps that are intended to limit risk, and effectively add another layer of suitability, are inappropriate measures if the intent is to enhance investor protection. I do not believe that proposing a cap is appropriate, as it can limit the ability to structure a suitable portfolio for the client. The liability for the suitability resides with the dealer and dealing representative. If an artificial cap would be a solution – and I do not believe it is - it would be better to define it by a percentage of the total assets. Individuals with a net worth of \$0.3K, \$2M or \$4.5M are clearly not equal if they are limited to investing a maximum of \$30,000 per year. Arbitrary rules such as these will not enable proper portfolio construction.

The more appropriate method for addressing the risk is to spread the investments over multiple issuers and/or issuing entities in case some issuer has multiple issues.

Marketing Materials

Making marketing materials a part of the offering documentation is a good idea. It is illogical that they are not.

Ongoing Disclosure

While the idea is good, the cost of audits can be prohibitive. Investor's right to receive the information and right to pay for an audit might be a better way to address this. This is private equity after all, why not adopt the industry practices.

Separating Connected Issuers from Dealers

Frankly this makes no sense. These dealers and their dealing representatives are subject to same suitability requirements regardless where the product originated.

Complex Securities and Structured Products

These products exist for a reason, and they are intended to accommodate the risk and return needs of the investors. These vehicles can and are used to finance smaller businesses or multiple smaller businesses using one structure, and they have built in risk mitigants that are there for the benefit of the investor, not to their detriment. The statement about structured products make very little sense in light of intentions stated earlier about trying to reduce the risk for the investors.

About the complexity issues; The dealing representatives must know the product (KYP) and client (KYC) to determine suitability. They should not be selling products they don't know, this applies to all products. If there are concerns here, you already have the rules in place to address them. I would suggest enforcing KYP and suitability instead of proposing arbitrary rules that can harm the market as a whole.

Questions about proposed amendments: Request for Comment Proposed Amendments to NI45-106:

- 1) Not necessarily. The owner or intended beneficiary of the company should be the determinant.
- 2) Providing there is a suitable investment vehicle available, an investor saving for a home should be able to make a larger investment in an investment vehicle that will allow them to hedge the price of their future home at the neighborhood where they are planning to purchase a home.
- 3) Unlikely