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denise.weeres@asc.ca
Denise Weeres
Manager, Legal, Corporate Finance
Alberta Securities Commission
250 – 5th Street SW
Calgary, Alberta T2P 0R4

and

consultation-en-cours@lautorite.qc.ca
Me Anne-Marie Beaudoin
Directrice du secretariat
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3

comments@osc.gov.on.ca
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've written this letter in response to the proposed limiting of exempt market investments to \$30,000 per client, per year. Please accept the following comments and concerns from the perspective of a person working in the exempt market. I am also writing this letter on behalf of my mother who is invested in the exempt market.

I started working towards my career in the exempt market in January of 2010. I believe that this was a very crucial point in the exempt market's history. Creating the Exempt Market Dealership was a great step in the right direction for helping to regulate this industry. Since I have started in this career, I have heard of many exempt market products that have failed due to fraud and/or bad alignment for the investor. Although I'll admit it may be early to truly measure, we have seen far less failures by offerings sold through the exempt market. If there was no exempt market dealership, I certainly would not be in this industry. I thank you very much for creating the exempt market dealership.

So far, the exempt market has been very good for my clients. Raintree has been able to provide a good mix of growth and income products for my clients. My client base of baby boomers have been the best fit for it. Many Canadian's were set to retire in 2008 before their retirement nest eggs were cut in half. My mother, for example, was not willing to expose her money to that volatility again. In order to retire she has decided the



exempt market is her best bet. She is diversified throughout dozens of exempt market products. Many that can provide cashflow are DRIP'ing until she is officially retired. One of the biggest uncertainties in her life is how long she will live. She doesn't know whether she has another 35 years or another 35 days. If she were to take all of her money to the bank, invest it in their suggestions, and spend X per year we'd be certain of one thing: Her money would not last more than 12 years. That strategy will work fine if she does not live to celebrate her 75th birthday. She feels way more comfortable, diversifying her portfolio in to cashflowing exempt market products. She knows that they might not all work out, and she knows she needs to have liquidity in her portfolio just in case of emergency. I can't tell you whether this is the best strategy for her or not. I do not have a crystal ball. At this stage of her life, I don't think it would be fair to force her hand completely overhaul her strategy (again). Limiting the amount she could put into the exempt market would completely change her game plan. I encourage you to respect the wishes of Canadians who wish to invest their money in this way. From what I can tell, the securities commission has done an excellent job of working towards a cleaner industry. Let's take some more time to see how National Instrument 31-103 affects the industry and honor the wishes of those who have built their investment futures around it.

Thank you,

Ray Derges

Ray Derges

Dealing Representative

Raintree Financial Solutions