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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**

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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.

I am writing to express my strong disagreement with the proposed arbitrary changes affecting the distribution of Exempt Market securities to Eligible investors in Alberta.

I applaud regulators for introducing NI 31-103 to bring rules and structure to our industry. I have 20 years Banking experience at National Trust and Scotiabank and the last 10 years as an independent advisor currently licensed as a Dealing Representative and full Insurance license in Alberta. I have been MFDA licensed and RECA licensed as a Mortgage Agent in the past.

I like many of my colleagues take our industry very seriously, I hold several educational accreditations, BBA, CFP, PFP, CIM and FCSI. I am an Exempt Market investor with over \$500,000 personally invested in these investments, many of them investing here in Alberta, for example the Hilton Hotels at the Calgary Airport that employ hundreds of employees in addition to real estate developments in Fort McMurray, Edmonton and Calgary.

I am at a loss to understand why this arbitrary number of \$30,000 is being considered for Eligible investors. The fundamental training of my profession is based on Knowing Your Client, Knowing Your Product and matching the client's needs with the best available solution.

Taking away the client's right to make informed choices is a complete big brother intrusion on an investor's right to make a choice. This seems completely unconstitutional and against my freedom of choice and free trade beliefs which I would argue are shared by the majority of Albertans.

I am well aware prior to the creation of the Exempt Market there were a number of unethical fraudsters operating with limited oversight, however the creation of the Exempt Market has brought in independent Exempt Market Dealers who bring tremendous due diligence to the industry to weed out these bad apples. The Exempt Market is only 3 years old, I know of no instances of widespread abuse as was done prior to NI 31 – 103, why are we changing a good set of rules that balances the need for oversight with the need for investment choice and the need for capital raises in the industry?

My personal belief is EMDs should be independent of the product issuers, as is Raintree Financial Solutions, the EMD I am registered under. Independent supervision of DRs, independent product selection and due diligence is the key to self-monitoring our industry as contemplated by NI 31- 103.

Please listen to our industry association, NEMA, I strongly support NEMA's position on these proposed changes and I believe every DR supports the NEMA position that a \$30,000 hard cap would seriously harm capital markets, limit free choice and simply is the wrong way to go. Current rules under NI 31 – 103 fairly regulate the industry, give these rules time to show their value, why change something that has no proof of being broken? The Eligible Investor definition here in Alberta fairly places limits on who is eligible to purchase these products. I can go on and on, I think my point is made.

This submission is being made on my own behalf.

If you would like further elaboration on my comments, please feel free to contact me at [russ@stierfinancial.ca](mailto:russ@stierfinancial.ca).

Regards,



Russ Hafer, CFP, CIM, FCSI

Dealing Representative of Raintree Financial Solutions Inc.

CC:

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