

May 27th 2014

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 secrétariat
Autorité des marchés financiers
800, square Victoria, 22e 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 Denise and Me Anne-Marie:

My name is Tom Payne and I am writing this letter to comment on the proposed amendments to NI 45-106 and the annual investment limits for non-accredited investors.

I am university educated, a professional accountant (CMA), and hold the position of CFO in a modular manufacturing company in Alberta.

Reviewing the amendments, I am extremely upset at the thought that a third party will be able to influence and dictate how and where I will be able to invest my retirement savings.

In the last year, my wife and I have invested into the Exempt Market, as Eligible Investors, to a level significantly higher than \$30,000. We did so after much consideration, education and undertaking due diligence regarding what it was we were investing in. We invested in projects that would provide a level of diversity in our portfolio. This diversity gives us a level of overall investment risk that falls within our investment philosophy and comfort zone.

It is my opinion that, if NI 45-106 were to become law, my investment portfolio would be impacted negatively, and I would have to accept more risk in order to match the earnings that I currently realize. Risk and reward is a decision that should be made by me, not a governmental agency.

I believe the reduction of available capital to the national and local economies, supplied by middle class investors who choose to invest in the Exempt Market, would have a negative impact on businesses in Canada. Lack of capital may lead to a reduction in employment, as small businesses struggle to survive without adequate capital and cash flow. It is my belief that

government intervention outlined in NI 45-106 is in direct contrast to government policies of employment growth and economic stability.

Government intervention in day-to-day investment decision-making by individual citizens infuriates me. I have confidence in myself, as well as my financial advisors at Financial Value Inc., to investment in financial instruments that will meet and exceed my long-term investment goals and provide for a comfortable retirement. I am prepared to accept a certain level of risk and do not need government intervention to dictate what I can or cannot invest in. In addition, it my opinion that limiting investment options to only a specific segment of the Canadian population (middle income versus high income) is discriminatory.

I would suggest that your group consult with colleagues that have already put in place regulation and suitability rules, as well as consulting with the investment industry and the National Exempt Marker Association before any further movement forward with these questionable policies.

If you would like any additional information or clarification regarding my opinions related this matter, please feel free to contact me at [REDACTED]

Regards,

Thomas W. Payne, CPA, CMA

CC:

Cora Pettipas
Vice President, National Exempt Market Association
cora@nemaonline.ca