

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 have been in financial services since 2010 and since that time, have always striven to provide my clients with financial education and best-in-class products and opportunities to protect and enhance their income and assets. I initially started with an Insurance license (which I hold to this day), and a Mutual Fund license (which I dropped in 2011).

After the market losses of 2008, it became apparent to me that the Public Equity Markets exposed many investors to far more risk than they anticipated, considering that many of my current clients were in balanced portfolios at the time, but still suffered significant investment losses of 20% to 30% or more of their portfolios at the time.

In 2011, I became an Exempt Market Dealing Representative, so that I could offer my clients diversification in the Exempt Markets, which are not prone to the fluctuations of the more liquid Public Equity Markets.

Thus far, all of my clients have had a very positive experience with their Exempt Market investments experiencing strong, positive and consistent returns.

I believe the implementation of NI 31-103 with its emphasis on Client Suitability has had a very positive effect on the industry and provided excellent guidelines for conversations with clients about investment selections and suitability.

I am extremely concerned that imposing annual investment limits for non-accredited investors would negatively impact my current and future clients in the following ways:

- Clients would be unable to properly diversify if they can only put \$30,000 per year into the Exempt Markets. Many of my clients have worked hard and saved a significant sum of capital for their retirement investments. In many cases, \$30,000 would represent a very small percentage of their overall Financial Net Assets.
- Clients with larger amounts of investible assets who are looking to move money out of the public markets, or out of a company pension plan, will not be able to deploy all of their desired capital in the same year, leaving them vulnerable to the volatility of the 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 Markets that offered them the successful, profitable experience in the first place.

- Without the opportunity to invest a meaningful portion of their assets in cash-flowing investments with a predictable return (e.g., 8% annual return, paid monthly), my clients near or in retirement will have to resort to public market investments that are volatile to try to achieve the same cash-flow, or accept a much lower cash flow and begin to deplete their capital.
- The limit classifies an extremely large group of investors all the same, even though they have a very wide range of incomes and net financial assets. Therefore, should they be invested the same way? Absolutely not! Each investor's situation is unique and requires planning and investments specific to their financial goals.

Before making any investment in the Exempt Market I am required to observe significant KYC, Suitability and KYP protocols in addition to best practises implemented by my Dealership with each and every client. This involves me spending a significant amount of time ensuring clients are well educated and understand about the features and risks of Exempt Markets as a whole, in addition to the specific features and benefits of any investment opportunity discussed.

However, these same investors are free to go out and purchase stocks such as Bre-X, Nortel, RIM, Sino-Forest or a multitude of penny stocks without any oversight, limitations or education.

An arbitrarily imposed \$30,000 annual investment limit is both insulting and detrimental to my clients who have made their decision to diversify in the Exempt Market.

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 Weston@atlaswf.com.

Thank you and Best Regards,

Weston B. Fader
Principal Advisor



Dealing Representative



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Authorized Practitioner

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“There is no traffic on the extra mile”

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CC:

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