



October 13, 2015

**SENT BY EMAIL**

The Secretary  
Ontario Securities Commission  
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comments@osc.gov.on.ca

Me Anne-Marie Beaudoin  
Corporate Secretary  
Autorité des marchés financiers  
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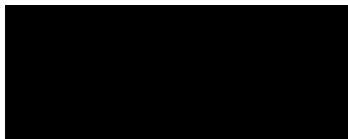
Dear Sirs/Mesdames,

**Re: CSA Notice and Request for Comment – Proposed Amendments to NI 45-106 *Prospectus Exemptions relating to Reports of Exempt Distribution***

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R.N. Croft Financial Group Inc. is pleased to comment on Proposed Amendments to NI 45-106 *Prospectus Exemptions relating to Reports of Exempt Distribution*. Kindly find our comment letter enclosed.

Sincerely,



Kenneth Mulders, Chief Compliance Officer, Chief Operating Officer, Portfolio Manager  
**R.N. Croft Financial Group Inc.**



October 13, 2015

To: British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission (New Brunswick)  
Nova Scotia Securities Commission  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island  
Securities Commission of Newfoundland and Labrador  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Nunavut

Re: **CSA Notice and Request for Comment – Proposed Amendments to NI 45-106 *Prospectus Exemptions relating to Reports of Exempt Distribution***

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This letter is provided to you in response to the notice and request of the Canadian Securities Administrators (“CSA”) for comment (“**Notice and Request for Comment**”) in respect of the proposed amendments (the “**Proposed Amendments**”) to National Instrument 45-106 *Prospectus Exemptions* relating to Reports of Exempt Distribution (the “**Proposed Report**”) and related changes to Companion Policy 45-106CP *Prospectus Exemptions*.

## 1. Background

R.N. Croft Financial Group Inc. (“CFG”) is a boutique portfolio management company, providing fully customized discretionary asset management to investors. CFG is registered as an investment fund manager in Ontario and Quebec and a portfolio manager in Ontario, Quebec, Saskatchewan, Manitoba, Alberta and British Columbia. CFG created and manages CFG Custom Portfolio Corporation (“CPC”) a related series of corporate-class pools. As a registrant with investors across Canada we have completed numerous distributions in the exempt market that have required a corresponding report of exempt distribution in multiple jurisdictions and would like to comment on the proposed changes to the reporting system and form of reports in the exempt market.

## 2. Summary

The Proposed Amendments are an important step forward in reducing the compliance burden for investment fund issuers and developing a simpler and more efficient exempt market reporting regime. One single report of exempt distribution that applies in all jurisdictions is a significant improvement; however, we urge the CSA to go further by requiring issuers to submit only one cross-country report of exempt distribution to an online system with their principal regulator.

### 3. General Comments on the Proposed Amendments

#### 3.1 Harmonized form of report across Canada

Currently, issuers that distribute securities in a Canadian jurisdiction pursuant to certain prospectus exemptions are required to complete one or two different forms (current Form 45-106F1 *Report of Exemption Distribution* (“**Form 45-106F1**”) and Form 45-106F6 *British Columbia Report of Exempt Distribution* (“**Form 45-106F6**”). The Proposed Amendments would replace the Current Reports with the Proposed Report.

We applaud the CSA for harmonizing the current forms of reports of exempt distribution into one single report to be used in all jurisdictions of Canada, which would be a welcome change to the reporting regime for the exempt market. *We agree with the CSA that requiring one single harmonized form of report for all CSA jurisdictions would significantly reduce the time spent on completing multiple forms.*

#### 3.2 Filing the Proposed Report

The Proposed Report has been designed to be filed using the current filing procedures that apply across the country. Accordingly, the Proposed Report would be filed through separate electronic systems in Ontario and British Columbia, and in paper format in other CSA jurisdictions.

We note that the CSA has also considered how the Proposed Report would be filed using SEDAR, as contemplated by an initiative of all CSA jurisdictions other than British Columbia and Ontario, (the proposed amendments to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* and Multilateral Instrument 13-102 *System Fees for SEDAR and NRD*). The CSA anticipates that for a cross-country distribution, an issuer or underwriter would be able to file the Proposed Report by completing the OSC’s e-form and subsequently filing that report on the BCSC’s eServices and SEDAR.

While we applaud this other CSA initiative to simplify the filing procedure, *we urge the CSA to go further by requiring issuers to submit only one cross-country report of exempt distribution to an online system with their principal regulator.* Requiring issuers to submit three separate reports on three separate filing systems is inefficient and adds an unnecessary compliance burden for issuers. We suggest that the CSA should share information and reduce duplication of efforts on the part of issuers. Respectfully, if the form of report is the same for all jurisdictions, it makes little sense for there to be a requirement to file the report three times at three different online portals.

Sincerely,



Kenneth Mulders, Chief Compliance Officer, Chief Operating Officer, Portfolio Manager  
**R.N. Croft Financial Group Inc.**