

February 12, 2013

Mr. John Stevenson
Secretary
Ontario Securities Commission
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Re: OSC Staff Consultation Paper 45-710, Considerations For A New Capital Raising Prospectus Exemptions, December 14, 2012 (the "Paper")

It is with pleasure that the Producers' Roundtable of Ontario ("PRO") provides these written comments in regards to the above noted Paper. PRO is an organization of feature film, television and new media producers of Ontario, with many members involved in the pursuit of crowdfunding opportunities. Therefore, we would strongly support the capital raising prospectus exemptions, and as an interested stakeholder in the outcome of this process would welcome further direct consultation with the OSC as it refines the potential legislation and regulations that will directly affect the members of PRO.

Would welcome the harmonization of prospectus exemptions across Canadian jurisdictions.

As most non-publicly traded film and television companies in Canada are SMEs, further access to capital markets while ensuring investor protection is in our direct interest.

Our comments at this time will focus directly on the crowd funding aspect of the Paper.

Crowdfunding is a term that is used across a wide array of financing structures, which can simply be a way of supporting a media product by buying ticket in advance, or participating in the process of filmmaking to a small degree with rewards, or as an equity investor in the media product, with expectation of financial return on investment.

PRO strongly supports a crowdfunding exemption for the requirement of a prospectus as a method of raising capital for either a media company or for a specified production, as one of many complementary forms of crowdfunding available to media producers and welcomes the opportunity to work with the OSC to ensure any legislation or regulations governing this limited form of crowdfunding would not displace our members' ability to utilize other forms of crowdfunding.

PRO's interest is in ensuring that there is a broader base of eligible investors for their SMEs and for their individual projects, balanced by regulation that protects the investor.

Media production has become more publicly collaborative since the advent of broadband internet access and the public is motivated to become part of the media landscape, and has welcomed the ability to invest directly in the media they want to see and participate in. This exemption would be useful in allowing a wider public to participate in a more substantive way than in traditional casual forms of crowdfunding that do not result in an equity investment in the SME or media production.

With respect to the primary proposed restrictions on the Issuer, we would propose that there be a distinction between those SMEs that are engaged in crowdfunding capital investment, and those that may be involved in raising funds for multiple media projects, where each project could be an “issuer”.

If in this context, it is determined that there is a requirement for an intermediary or broker through a registered funding portal, we would welcome strict limits on fees, expenses or commissions that could be charged by such intermediaries or brokers. If there is a greater class of investors that could participate in crowdfunding at lesser levels of investment, it would defeat the purpose if, after such investment, the remaining amount available to the SMEs was not a significant percentage of the investment. At the same time, we recognize that such intermediaries or brokers through a registered funding portal would ensure standardization of information available to the public, which would reduce the potential for abuse and fraud. However, such portals should not be an impediment to other forms of crowdsourcing not governed by this proposed exemption.

With respect to any limits on capital raised, we would suggest that such limits be determined by the SME in accordance with its budgetary requirements and a maximum amount to be raised be set out to avoid dilution. A requirement for audited financial statements should be subject to a threshold, as a protection to investors.

In order to foster a robust media production landscape in Canada with well-capitalized SMEs, we would recommend that there be a requirement to spend the proceeds in Canada, with the only exemption be those media productions that are certified as official treaty co-productions by CAVCO.

We would support an exemption that allows all members of the public to participate without requiring that they satisfy particular experiential or sophistication requirements. A limit on the amount each potential investor could invest in each production or in a calendar year would be sufficient for these purposes.

PRO would welcome the opportunity to further explore and comment on all of the issues related to a crowdfunding exemption to the prospectus requirement proposed by the OSC. This proposal by the OSC will compliment traditional sources of funding and enhance the ability of Canadian media producers to raise capital for their companies and productions and compete in the world marketplace. Our concern would be ensuring that any such legislation would work together with existing funding models, and not, by it's utilization, hamper or prohibit our members' ability to utilize other sources of funding.

We look forward to working with the OSC on this important initiative. For further contact with the members of the PRO committee in relation to this initiative, please contact Karen Powell at Karen@perfect-circle.ca (519) 305-0607 or theproducersroundtable@gmail.com

Best,

THE PRODUCERS ROUNDTABLE OF ONTARIO
Per: Karen Powell