

March 7, 2013

John Stevenson
Secretary, Ontario Securities Commission
20 Queen Street West
19th floor, Box 55
Toronto, Ontario M5H 3S8

Attn: John Stevenson

Sent via Email: jstevenson@osc.gov.on.ca

RE: OSC Staff Consultation Paper 45-710

I have been involved with Canadian financial services for over 20 years. My retail client business has changed in many ways since I did my first client financial transaction in 1992. If we have learned anything from the late 90's, Sept 11, 2001 and the most recent "great recession" it is that the average investing Canadian is pushed into products which shoulder about 80% of the broad liquid market volatility. I am not suggesting every Canadian should be invested in private placement products, however, the current regulations are blocking so many very qualified and educated investors from investing in products that provide diversification and that may reduce the volatility in their portfolio. The limits need to be lowered to a level which would accommodate young professionals, business owners and educated investors working with financial professionals. The definition of Financial Professionals needs to be robust and should include those who are licensed and accredited with an industry designation (such as CFA, CFP, CA, CGA, CMA, FMA, CLU etc.). I read somewhere that suggested an MBA would constitute a qualified investor or financial professional, truly, this was most ridiculous thing that could ever be considered. I have many very intelligent acquaintances who hold their MBA, most are highly qualified in their field, not in the area of investments.

With regards to adopting an OM exemption in Ontario; yes ordinary everyday citizens in Ontario desire and should be allowed to purchase exempt market securities, just like their counterparts in the rest of Canada. When properly utilized (which the OSC can oversee through its enforcement division), the OM exemption is a wonderful tool for businesses and investors alike. It allows businesses to raise capital without the high costs of a prospectus and it provides investors with a simple to read document that's actually comprehensible, while still providing them with many of the same rights as afforded by a prospectus.

With regards to setting limits for the OM Exemption, yes there should be, but your proposed limits are impractical for nearly everyone. The minimalistic thresholds you've proposed will not be significant enough to encourage investors to review the OM or even participate at all. In

addition, they are not significant enough to absorb the costs typically associated with preparing such a document. One of your core mandates as a commission is “fostering fair and efficient capital markets and confidence in capital markets”. Restricting an investor to \$2,500 doesn’t provide confidence but rather fear of deal risk and requiring an issuer to sign up a minimum of 600 investors a year (3/business day) to get \$1,500,000 could hardly be described as efficient.

We need to get past the “Ontario” is different and face evolution. A alignment nationally would be appropriate as it is well stated in our society, as a whole, as a Canadian we do not discriminate. It does not mean we open the market up to everyone who can click a webpage and EFT \$2500. It is time to create the ability to raise capital by Ontarians which encourages an alignment between investors and economic growth.

Sincere Regards,



Douglas J Cerson

RVP, Pinnacle Wealth Brokers

2425 Matheson Blvd E. (8th Floor)

Mississauga, ON L4W 5K4