March 7th, 2013

Mr. John Stevenson
Secretary, Ontario Securities Commission
20 Queen Street West
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Toronto, Ontario M5H 3S8
Sent via Email: jstevenson@osc.gov.on.ca

Dear Mr. Stevenson

RE: OSC Staff Consultation Paper 45-710

Thank you for this opportunity to comment on the most recent OSC proposals concerning the potential adoption of an OM exemption in Ontario. SecureCare Investments Inc., issuer of SecureCare Bonds, is dedicated to providing reliable wealth building opportunities for Ontarians, within the exempt market regulatory structure. Although eligible for prospectus treatment, SecureCare Bonds rely on the exempt market, keeping offering costs low while maximizing returns to bond holders.

Should an Offering Memorandum (OM) exemption be adopted in Ontario? If so, why?

Yes, the OM exemption should be adopted in Ontario. The following points support this view:

1. As demonstrated by a number of leading institutional investors, including many of Ontario's pension plan funds, alternative non-prospectus fixed investments are a growing component of a properly diversified and healthy investment portfolio.
2. Individual non-accredited investors have been financially and emotionally battered by unpredictable volatility in the public markets. For fixed income investments such as bonds, the reduced liquidity of the exempt market provides potential comfort with constant NAV's and cash flow.
3. With the creation of the new highly regulated exempt market dealer securities sales category, processes are in place to protect exempt market investors as have never existed before. Diligent application of state-of-the-art KYC, KYP and advisory service processes by exempt market dealers (EMD's), has completely changed and dramatically improved the alternative investment landscape in Canada.

4. Capital is required by responsible and growing Ontario businesses. The exempt market and OM exemption can be important tools in providing that capital in a timely manner and at an acceptable cost. This is especially true for businesses that have collateral or create assets that can serve as collateral for investors.
5. There are additional advantages to investing in the exempt market when compared to public markets. Exempt offerings generally rely on a simple direct business plan that can be critically appraised by EMD's and investors. Investors also often have direct access to the principals of a company or venture and can request and receive direct and regular information concerning performance and developments. New levels of disclosure in offering memorandums rival or exceed that of any prospectus.

For these reasons and many others, exempt market investing in Canada, particularly in Ontario, this nation's economic engine, has come of age. To deny the vast majority of Ontarians the opportunity of participating in this investment sector, especially in light of public market volatility, is, in my opinion, increasingly difficult to justify. Canadian regulators, including the OSC, have worked diligently to establish and enforce new rules and practices associated with the exempt market particularly since the implementation of NI 31-103 in 2010. My experience over the last two years is that Canadians now enjoy a completely different alternative investment experience, one with high levels of accountability and considerably less risk. I believe the time is right for the OSC to adopt the OM exemption to at least the same criteria as the other provinces.

Should there be any monetary limits on (the OM) exemption?

The imposition of thresholds or monetary limits, either on investors or issuers, may be an arbitrary and prejudicial exercise. The "one size fits all" approach is contrary to the carefully evolved KYC suitability accountability and processes required of the exempt market dealer. Every investor and issuer situation is potentially unique, and, to be properly equitable, requires the care and attention of an EMD registrant and the proper and thorough exploration and documentation of investor need and risk tolerance. It astounds me, that the OSC will not trust the very processes it has helped to build in the securities markets.

In my opinion, applying the restrictive thresholds suggested in the Consultation Paper would not encourage the proper development of the exempt market in Ontario and could, instead, lead to the following issues:

1. A $2,500 investor limit would create unwarranted investor fear towards exempt market offerings and for many serious investors is an insufficient amount to warrant the time and attention required to assess.
2. $2,500 investment is too small to be economically viable for EMD's or issuers to handle (SecureCare Bonds have one of the lowest exempt market investment minimums at $5,000).

3. The $1.5 million issuer maximum is not enough to absorb offering costs or create issuer sustainability. As such, the only issuers attracted to this jurisdiction under this rule would likely be high risk and potentially do harm to investors.
4. Prohibitive and arbitrary investment limits simply fly in the face of one of the OSC's primary mandates of "fostering fair and efficient capital markets and confidence in capital markets.".
5. As an Ontario, I believe that these limits and thresholds would not only be punishing to the exempt markets and SME but I rather embarrassing on the national and international stage, where alternative investments are becoming more important. To many I have spoken to, the arbitrary restrictiveness of these potential rules is difficult to understand and accept.

It is my belief that through the OSC, Ontario could be an investment and economic leader by dropping unreasonable and arbitrary criteria around exempt market investing and relying instead on regulated exempt market dealers to do their jobs. At the very least, I would suggest adopting limits similar to those allowed via this exemption in the rest of Canada.

Thank you again for the opportunity to give you our views.

Yours sincerely,

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