



CENTURION

APARTMENT REIT

March 8, 2013

Centurion Apartment REIT
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Toronto, Ontario
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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

On December 14, 2012, the Ontario Securities Commission released a Consultation Paper (45-710) related to considerations for new capital raising prospectus exemptions. Centurion Apartment REIT Management Inc. is an Exempt Market Dealer headquartered in Toronto, Ontario. We are registered in British Columbia, Alberta, and Ontario. The objectives of Centurion Apartment REIT are to i) provide unit holders with stable cash distributions, payable monthly and to the extent reasonably possible, tax deferred, from investments in a diversified portfolio of income producing multi-unit residential properties located in Canada and ii) maximize REIT unit value through the ongoing management of Centurion Apartment REIT assets and through the future acquisition of additional multi-unit residential.

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

We have a very strong belief that an Offering Memorandum (“OM”) exemption is necessary in Ontario and should be adopted. When properly utilized, the OM exemption is



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an efficient tool for businesses and investors alike. It permits businesses to raise capital without the high costs of a prospectus and it provides investors with access to a larger pool of investment opportunities.

Under the existing capital raising prospectus exemptions, only certain individuals can invest in the exempt market. Specifically, the definition of “accredited investor”, as set out in section 1.1 of NI 45-106, includes among others, individuals who meet the specified income or asset criteria. Based on data in the Consultation Paper, the total number of individuals qualifying as accredited investors under the current income and asset thresholds is less than 4% of the Ontario and Canadian populations. This is a very small percentage and very restrictive to both raisers of capital and investors.

The OSC has a mandate to foster fair and efficient capital markets. However, the current accredited investor rule certainly does not foster fairness due to its restrictiveness. The restrictive nature of the accredited investor exemption in Ontario does not provide an even playing field for the citizens of Ontario, Canadian investors and in turn, prohibits capital raising. Our penetration in the Ontario marketplace would be significantly higher if the OM exemptions were similar to other provinces.

Citizens in Ontario should be allowed to purchase exempt market securities, just like their counterparts in the rest of Canada. It is time for the OSC to stop unnecessarily denying businesses access to capital and investors’ access to alternative investment options.

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

Though we are in favor of monetary limits on Offering Memorandum exemptions, we find the proposed OM’s exemptions extremely restrictive.

The minimalistic thresholds proposed will not be significant enough to encourage investors participate. In addition, the thresholds are not significant enough to absorb the costs typically associated with preparing offerings.

Regards,

A handwritten signature in blue ink, appearing to read 'R. Orr', is written over the word 'Regards,'.

Robert Orr
Centurion Apartment REIT
Chief Financial Officer/Chief Compliance Officer