



8 March 2013

Insight Exempt Market Research & Analysis Inc.
1301 10 Ave SW, Calgary, AB T3C 0J4

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

Q1: Should an Offering Memorandum (OM) exemption be adopted in Ontario? If so, why?

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. Ontario should no longer restrict access to exempt market securities to the wealthiest 1% of the Ontario population. Every other securities commission in Canada realizes this and the Ontario Securities Commission ("OSC") should too. It is time for the OSC to stop unnecessarily denying businesses access to capital and investors' access to alternative investment options.

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.

Q2: Should there be any monetary limits on (the OM) exemption?

Perhaps, 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.

I would suggest you look at adopting limits similar to those allowed via this exemption in the rest of Canada.

Regards,

A handwritten signature in black ink that reads "MD Wellwood". The signature is written in a cursive, flowing style.

Michael D. Wellwood
Senior Analyst
Insight Exempt Market Research & Analysis Inc.