

June 8, 2007

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

Via E-mail: jstevenson@osc.gov.on.ca

Anne-Marie Beaudoin
Directrice du Secretariat
Autorite des Marche Financiers
Tour de la Bourse 800, square Victoria C.P. 246, 22 floor

Via E-mail: consultation-en-cours@lautorite.qc.ca

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorite des marches financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

This letter is written to express my concerns regarding the pending changes to NI 45-106. The proposed changes outlined in the Registered Reform Project (RRP)/NI 31-103 will do more harm than good. Non-registered exempt issuers who have done a large part in the financing of small entrepreneurial enterprises and real estate development projects will be put at a great disadvantage in relation to the larger member firms of the Investment Dealers Association. Small companies looking for financing will be forced to deal with larger firms who will not want to underwrite small private issues, rather they will force small companies into IPO's which are more lucrative to the financing firm but not in the best interest of the company looking for financing. This will increase the cost of financing and severely restrict the growth of new small businesses and development in Canada.

One has to ask why this proposed changed has been kept so quiet when the effects will be so far reaching. There does not seem to have been a consultation period with the public, for which in the end this proposed change has supposedly been created to protect.

808-55 Avenue NE, Calgary, Alberta T2E 6Y4

1-888-569-0156

www.unityinvestments.com

 AUBS COMPANY

 ALPINE HOMES
CANMORE, AB

 elite
HOMES
CALGARY, AB

 Greenboro
HOMES
CALGARY, AB

 GREENBORO
EDMONTON, AB

 GREENBORO
SAN ANTONIO, TX

 todays
HOMES
COMMUNITIES INC.
CALGARY, AB

 todays
HOMES
CALGARY, AB

 TODAY'S
HOMES
COLORADO
SPRINGS, CO

Another troubling fact is those represented on the RRP steering committee, who are proposing sweeping changes to the whole industry, are for the majority representatives of the Investment Dealers Association and Mutual Fund Dealers Association. They will not be negatively affected by these changes, this will in effect create a monopoly for this group by making it all but impossible for small exempt issuers to conduct any business. Although the goal of uniting Canada under one securities regulation is an admirable one, if British Columbia decides not to join as it is “concerned that the registration of persons who are in the business of dealing in the exempt market will have a detrimental impact on the provinces venture capital raising industry”, this will in essence create two different environments for raising capital. This will undoubtedly lead to a bureaucratic mess and will in fact make it less transparent when companies try to raise capital in the two separate areas and more difficult for investors to have confidence in the industry.

Although an education standard would be a good idea to safeguard investors, the Canadian Securities Course (CSC) is not particularly relevant. It is wrong to give the impression to investors that anyone that has taken the CSC is able to give them investment advice on complex financial products and matters. It would give investors false confidence and actually increase the probability of them being misled. Someone who has taken the CSC may be able to give advice on and sell mutual funds, but the CSC does not cover in enough detail risky securities such as private equity stock, real estate investments including bonds and second mortgages and other private financing vehicles which many of the exempt issuers deal with.

The current rules already in place provide sufficient protection to investors. The risk acknowledgement form that investors are required to sign states that these types of investments are very risky and there is a possibility of losing all money invested. These have done their job as some investors have come in to sign forms but upon reading this warning, have decided the investment is too risky for their liking. I believe an investor knows his or her risk tolerance better than a token Know Your Client form would allow someone selling the investment to gauge. I would suggest that to ensure the safety of the investing public more effort should be put into upholding the current rules and giving some teeth to the securities commissions to deal with those who do not follow them rather than coming up with a whole new set of rules to replace the ones we currently have. Changing the rules and not enforcing them will not make investors safer. All it will do is create another layer of red tape making it difficult for companies to raise important venture capital.

Thank you for taking my opinion on these proposed changes under review.

Sincerely,



Peter Paauw
Investment Manager
www.unityinvestments.com
1 403 569 7890



808-55 Avenue NE, Calgary, Alberta T2E 6Y4

1-888-569-0156

www.unityinvestments.com

