

# Premiere Canadian Mortgage Corp.

#301 - 260 Harvey Avenue • Kelowna, B. C. • V1Y 7S5

Phone: (250) 861-1526 • Fax: (250) 861-3362

TOLL FREE: 1-800-663-4150

---

June 19, 2007

**COPIED**

*VIA: Fax*

BC Securities Commission  
PO Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver BC V7Y 1L4  
Fax: 604-899-6814

Attention: Sandy Jakab, Manager, Policy & Exemptions  
Capital Markets Regulation

Dear Ms. Jakab:

**RE: Proposed National Instrument 31-103 Registration Requirements**

We were recently informed by the Financial Institution Commission of BC of the new proposed registration requirements for Mortgage Investment Corporations ("MICs"). Advice from our lawyer, who attended the recent information session relating to the above indicates that there are a number of very significant changes being proposed, including a requirement to complete the Canadian Securities Course, as well as the need for 5 years securities industry experience.

We have very significant concerns relating to the proposed changes, and specifically those requiring the license and experience.

Firstly, in the industry we deal with two types of securities – mortgages on land, and the shares of our MICs. This does not require extensive securities training, however, it does require extensive mortgage training. In most provinces, that is exactly what is required. It is not clear from the information that we have received relative to these proposed changes, as to whether licensing as a Mortgage Broker would be required for MIC's. Since most of the work relating to administering the mortgage fund is expertise in mortgages, it would make far more sense to require that the Administrator of the MIC be required to pass the appropriate provincial mortgage broker course.

## Premiere Canadian Mortgage Corp.

#301 - 260 Harvey Avenue • Kelowna, B. C. • V1Y 7S5

Phone: (250) 861-1526 • Fax: (250) 861-3362

TOLL FREE: 1-800-663-4150

---

With respect to the matter relating to selling the shares in the MIC, the MICs which fall under the auspices of the Security Commissions usually conduct the business of selling shares through their lawyers. This includes the preparation of the Subscription Agreement, Offering Memorandum, as well as usually handling the actual share sales and redemptions. Therefore, direct sales activity relative to the sale of shares is limited to marketing and in particular, discussing the financial aspects of the Company with prospective investors. In this regard, I don't believe that taking a course would provide any more protection to investors, nor to administering a MIC.

Bringing in the regulations as they stand would likely create significant problems from a practical point of view. Even if the Manager or Administrator has taken the securities course, they may not qualify under the 5 year experience rule. In that case, what would happen to the administration of the MICs, which would be the large majority, who could not meet those requirements? It would certainly be doing the investors of those respective MICs a great disservice to force them to cease operating. In fact, it would jeopardize those operations and possibly put investor's funds at significant risk. My own feeling is that, from a practical point of view, these types of regulations could only be made to apply to the establishment of new MICs. However, they would then be so restrictive and limiting by their very nature that for all intensive purposes, the business of creating and running MICs would be abolished, for at least a number of years.

We understand that it is important that investor's funds be protected as much as possible. However, bringing in a rule to take a course will in no way mitigate the risks associated with investing within a Mortgage Investment Corporation, or, for investing in mortgages, for that matter. I believe other qualifications would be far more important such as: good character, lending experience, number of years in business as a Mortgage Broker, and equally as importantly, an administrative ability. Unfortunately, many of these desirable characteristics cannot be regulated. However, the mortgage broker courses in most provinces do provide an excellent base for licensing, not only to conduct mortgage brokering business but in administering a mortgage fund.

My last suggestion is that before making significant changes in the way that Mortgage Investment Corporation's are licensed, those individuals considering these changes should spend a few days within the offices of a MIC to familiarize themselves with how the operations are run. It is only then that the merits of my suggestions could be appreciated and an appropriate course of action determined. In this regard, we would be please to invite a representative from any of the Securities Commissions to our office for these discussions, or to answer questions.

Incidentally, by way of background, our company is in its 11<sup>th</sup> year of business (website: [www.premierecanadian.ca](http://www.premierecanadian.ca)) while our administrators, Premiere Home Mortgage Ltd. ([www.mortgagescanada.net](http://www.mortgagescanada.net)) has been in business for 21 years. The latter company has been operating in BC for 21 years and approximately 12 years in Alberta.

## Premiere Canadian Mortgage Corp.

#301 - 260 Harvey Avenue • Kelowna, B. C. • V1Y 7S5

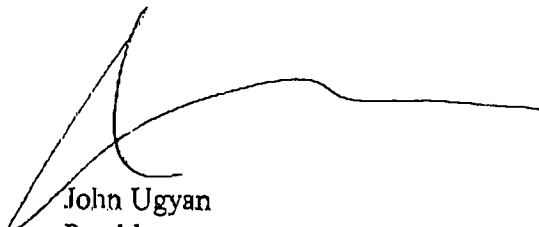
Phone: (250) 861-1526 • Fax: (250) 861-3362

TOLL FREE: 1-800-663-4150

---

We appreciate the opportunity to provide this feedback and I would be pleased to make myself available to answer any questions that you might have.

Yours truly,



John Ugyan  
President

JU/tjc

cc: John Stevenson, Secretary  
Ontario Securities Commission  
20 Queen Street West  
19<sup>th</sup> Floor, Box 55  
Toronto ON M5H 3S8  
Fax: 416-593-2318

Anne-Marie Beaudoin  
Directrice du secretariat  
Autorite des marches financiers  
800, Square Victoria  
Montreal QC H4Z 1G3  
Fax: 514-864-8381

L. Jay Mitchell  
Deputy Registrar  
FICOM  
Suite 1200 - 13450 - 102 Avenue  
Surrey BC V3T 5X3  
Fax: 604-953-5301