

May 29, 2008

Mr. John Stevenson
Secretary
Ontario Securities Commission
Via E-mail

The Honorable Iris Evans
Minister of Finance, Province of Alberta
Via E-mail

Re: Proposed National Instrument 31 -103 / Registration Reform Project

I am the President of The Lucid Group of Companies, which has subsidiary companies actively engaged in the Real Estate Investment Market, including the offering of prospectus exempt securities to raise capital through both internal and external sales personnel by way of offering memorandums.

It is our strong opinion that should the proposed changes come into effect, Lucid and its sales team would be forced to cease operations.

Our concerns relating to the proposed changes are as follows;

1) Canadian Securities Course

The Canadian Securities Course is primarily designed for stock brokers and financial advisers who want to provide financial advice to their clients. Lucid and its sales staff do not provide financial advice to the investing public. Real estate based investment products, like those offered by Lucid, are barely covered in the course. In fact, the Canadian Securities Course has only four pages dealing with Real Estate. Having our staff take this course would not result in any further protection for the public.

2) Know Your Client

Lucid's internal sales personnel do not purport to be financial planners nor financial advisors and we do not represent ourselves to the investing public to be so. We simply provide the investing public an alternative investment opportunity as compared to the regular ones being stocks, mutual funds, GIC's etc. In addition, we strongly believe that our investing clients would not be prepared to discuss their personal affairs with us and we do not believe that it is our business to discuss these issues with them. Prying into our investors private financial information will result in many investors choosing to not make exempt market investments.

3) The Need for Registration / The current Regime's Problems

At a recent meeting that I attended ASC Staff suggested that because the Dollar Volume of Exempt trades have risen dramatically, sales people should be registered. This in itself does not seem like just reasoning. The fact that ASC staff know about the amount of monies raised speaks specifically to our current obligation under 45-106 to report distributions, dates of distributions, exemptions relied upon, commissions paid (if any), and the name of the sales person. I think this speaks specifically to the fact that the current regulations are working.

An ASC Staff member also suggested that the new legislation would help remove "the cowboys" from the industry. However, these "cowboys" are seemingly in contravention of the current 45-106 legislation. When asked why the "cowboys" were not pursued under the current legislation, the ASC staff member replied that "the ASC didn't have adequate manpower". It would seem that 45-106 may not be the problem, as the "cowboys" could be addressed under the current legislation. Better enforcement of the current legislation would have the same effect rather than penalizing the good companies that follow the current rules under 45-106.

Lucid is of the opinion that the investing public is well protected under the current legislation, NI-45-106. The investing public is adequately warned about the risks of investing and the public has to accept responsibility to investigate each and every opportunity and analyze the risks of each one on their own merits.

The proposed changes would not in any way provide further protection for the public and would only dry up investment dollars for legitimate companies that provide economic benefits to the economy and furthermore, would eliminate secure investment opportunities for the investing public. The changes would result in limiting the investment options for the public to the normal ones being stocks, bonds, mutual funds etc. The fact is that investors are seeing terrific rates of return in safe investment vehicles by participating in Exempt market securities by companies like ours. The enacting of the proposed change in legislation will only result in the elimination of the good companies that are producing strong results for their investors.

Thank you for your opportunity to provide our comments to the proposed changes and please feel free to contact the writer should you wish to discuss.

Yours truly,



The Lucid Group of Companies
Adam Drybrough
President