

**S. Mark Francis**

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CSA  
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Regarding: Ongoing Governance and Disclosure Requirements for Venture Issuers

Dear CSA:

Having participated in one of the feedback sessions, and provided a fairly lengthy email to the MSC last year, I would summarize my comments as follows:

As an investor, elimination of 1<sup>st</sup> and 3<sup>rd</sup> quarter financials, or making them optional and therefore confusing investors' expectations of the space, would be a terrible decision. It would mean at one point having an eight month delay in knowing the working capital.

Adoption of IFRS has been counterproductive for investor understanding of companies, and using a similar argument that we should standardize with other international markets risks following in the same footsteps.

Elimination of 1<sup>st</sup> and 3<sup>rd</sup> quarter financials would provide only minimal savings, as those financials are unaudited, and the board should be reviewing them anyway.

It is the MD&A which is so time consuming for small companies, so it would be far better to eliminate that requirement for all but the year end.

Institutional Investors are not active in the space that needs the particular relief. Imposing more governance policies (your 7(j)) on companies with market caps of less than \$30 – 50 million will be counterproductive. I run a small cap public company which cannot bear more process burden. The same goes for proposals to require 3 directors on the audit committee, which would require the addition of another director to those companies with only 3 directors.

Requiring more disclosure, benchmarks, and narrative will increase the burden unnecessarily on all companies, rather than allowing certain companies to respond to market demand.

On balance your proposals will increase, not decrease, the burden for most companies, excepting producing oil & gas companies and selected other, generally revenue generating, companies.

Yours truly,



S. Mark Francis