
February 17, 2012

Canadian Securities Administrators
British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2

Canadian Securities Administrators
Autorité des marchés financiers
800, square Victoria, 22^e étage
C.P. 246, Tour de la Bourse
Montréal, PQ H4Z 1G3

Attention: Gordon Smith

Attention: M^e Anne-Marie Beaudoin

Dear Sir/Madam:

Re: Review of Minimum Amount and Accredited Investor Exemptions

Reason for Submission: My name is Brenna Atnikov, and I am submitting as a citizen of Canada who is concerned about the recommendations coming out of the Canadian Securities Administrators review. My interest is in community economic development and the increasingly important role of social businesses in addressing some of our most complex challenges in our communities. I am concerned the recommendations coming out of this review will make it harder for social entrepreneurs to raise the capital they need to run successful businesses that contribute to substantial and important change.

The current review of by the Canadian Securities Administrators of two exemptions from the prospectus and registration requirements of securities law has come to my attention. While I have reviewed the consultation document, I am not in a position to make any technical comments upon it. However, I do have comments on the underlying principles.

I respect the role of the securities commissions of Canada to protect the investing public; however, I also see the need of small and medium sized businesses for access to investment capital on a cost effective basis. If the proposed changes are implemented, fewer investors will be qualified to provide capital to businesses which need it. I urge that the CSA not increase the costs to small and medium size businesses by making it more difficult to access required capital. For this reason, the existing exemptions ought not be repealed or increased in the absence of pressing need for public protection. Essentially, securities regulation limits economic activity through regulations which make it more difficult to obtain capital and increase the economic burden to small business. Given the financial conditions in our country, surely this is the time to lower hurdles and reduce burdens so that businesses can provide employment, growth and stability.

I would go further and encourage securities commissions to show leadership in permitting small and medium sized businesses to have opportunities for capital formation with a much reduced cost. I do not suggest throwing out the rule book, but I do encourage re-thinking the priorities so as to facilitate increased access to capital, albeit in the relatively small amounts required by SMEs.

There is another area of urgent need for capital raising reform. Governments, NGO's and the community are recognizing "social capital" where investors are willing to accept limited financial rewards when combined with work to solve social and environmental challenges. These ventures also need capital. The CSA should develop a series of exemptions aimed at the formation of community capital initiatives – for profit, not for profit and for limited profit – over and above the current exemptions under review.

Perhaps the next CSA request for comments will be a call for business owners and advisors to assist the CSA in fostering capital formation for small and medium size businesses and social capital groups. I believe that such an initiative would get a very significant positive response.

Yours very truly,



Brenna Atnikov

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