



February 23, 2012

To: British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés 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

Gordon Smith  
BC Securities Commission  
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Anne-Marie Beaudoin  
Directrice du secrétariat  
Autorité des marchés financiers  
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Dear Mr. Smith and Mme Beaudoin,

CSI Global Education, Inc welcomes the opportunity to submit the following remarks in response to the CSA's November 11, 2012 request for comments on the CSA Staff Consultation Note 45-401 – Review of Minimum Amount and Accredited Investor Exemptions.

CSI is the leading provider of accredited financial services proficiency learning solutions in Canada. We have been setting the standard for world-class, life-long education for financial professionals for more than 40 years. Our focus on leading educational and ethical standards means that our graduates and designation holders have met the highest level of proficiency and certification.

Specifically we will focus our comments on consultation questions 1, 2 and 22 c.



### **Question 1 & Question 22c**

We submit that the current principles for the AI exemption continue to be appropriate (level of sophistication, ability to withstand financial loss, resources to obtain expert advice and incentive to evaluate the investment given its size). We do not believe that the educational background or work experience of a potential investor should be required criteria for the AI exemption as it is very difficult to measure and likely impractical to implement. The only possible exception to this could be an individual's appropriate work experience within the investment industry as allowed for within the regulation in Canada and the United Kingdom.

### **Question 2**

We believe that the involvement of a registrant in the distribution of prospectus-exempt products can reduce the risks to the investor. As per 31-103, firms should perform analysis of products sold and ensure that their representatives have a sufficient understanding of the product and their risks to meet their suitability obligation. The "gatekeeper" role of the advisor combines the "Know your Client" and "Know your Products" expertise and professional attributes of the advisor which we believe is the best protection for retail investors whether they have the financial means to be an "accredited" or not.

We would welcome the opportunity to provide further explanation on our comments and to participate in further consultations.

Please contact me if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read 'M. Flynn', is written over a light blue horizontal line.

Marc Flynn  
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cc: Roberta Wilton, President and CEO  
Debbie Bell, Director, Regulatory & Credentialing Policy