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February 24, 2012

Dean Murrison,
Deputy Director, legal/Registration
Saskatchewan Financial Services Commission
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

Dear Sir:

RE: Review of Minimum Amount and Accredited Investor Prospectus Exemptions in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106)

Thank you for inviting comments from the Saskatchewan Bar and the writer in particular on important issues facing regulators and legislators in Canada. My comments that are set out herein are my own and are not representative of any organizations that I have chaired or otherwise been involved in such as the Securities Branch of the Saskatchewan Branch of the Canadian Bar Association or the Saskatchewan Angel Investment Network.

Rather than address the specific questions that have been posed, I have used them as a guideline to set out my views. I hope that this approach meets with your approval and that my comments provide SFSC with some assistance in dealing with these matters. I am available to discuss if need be and would welcome attending a meeting of my peers to discuss in greater depth.

The fundamental question is not however one of minimum thresholds, most individuals will not part with a \$150,000.00 of their money to someone they are not acquainted with, and if they know the person they are not relying on this exemption. The question is how do we protect or ensure the proper level of due diligence is done with respect to investments made of a substantial amount to an entrepreneur or third party business.

This is the problem in the world of the internet and social media, where communication barriers no longer exist. How do you ensure that the investment made in the UK or Dubai, even in Eastern Canada is protected or is legitimate?

The idea of a \$150,000.00 threshold or of using the Accredited Investor is that wealthy people should know better. But that is not a truism - people of all levels of education acquire monies either through inheritance, hard work, or luck all the time. The stories of lottery winners being broke in five years are more often than not accurate. After all a fool and his money are soon parted and regulations alone can not end this age old problem.

I do however support increasing limits; for raising them based on inflation alone is necessary but this brings with it a host of other problems primarily situated around making capital less accessible. Balancing limits will not and does not solve the core problems of dealing with either scams or investments made based on poor and/or misleading information by individuals who can ill afford to take these types of risk.

It is my belief that education and not regulations is the answer. Education sessions must be promoted by the financial services industry and the legal and accounting professions together with the regulators. We must remove the shroud of mystery that hangs over the world of Angel Investing.

It is key that we address these issues and make people aware that they should and must consult professionals. After all the rules are there to protect investors from scams and not knowing the rules results in individuals selecting opportunities for immediate riches. So therefore I support the concept of licensing any type of involvement, subject to the scrutiny of a professional, before it can be made. This together with education is the answer, not abolishing these exceptions.

Thank you for this opportunity.

Yours truly,

McCRANK STEWART LLP

Per:

David J. Brundige, Q.C.

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