

February, 2012

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
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

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Cc Western Exempt Market Association
Fax: 403-668-8343
e-mail: comments@wemaonline.ca

Dear Sirs and Madams:

Re: CSA Staff Consultation Note 45-401 *Review of Minimum Amount and Accredited Investor Exemptions*

Prestige Capital Inc. ("PCI") is focused on the marketing of investment opportunities from the development and operation of hospitality assets by PCI's parent company, [Prestige Hospitality Corp.](#) The goal of Prestige Hospitality is to provide investors with hospitality investments based on sound business practices, realistic returns, and full disclosure.

Consultation questions

1. What is the appropriate basis for the minimum amount exemption and the AI exemption?

The relevance of financial resources and education, etc. vary so widely from client to client that defining a clients' eligibility by these standards is an impossible and improper task. Rather, an investor should be determined by their access to relevant information. Further to this point, investors can start up online investment accounts with discount brokerages and trade stocks on their own; all with the premise that they have access to all relevant information.

2. Does the involvement in the distribution of a registrant who has an obligation to recommend only suitable investments to the purchaser address any concerns?

Yes it does. Given that the proper KYC forms are executed and relevant to the decision making with the client, investors are shielded from improper decision making.

3. Do you have comments on the issues described in background #3?

The Minimum Amount should simply be abolished. The minimum amount definition does not properly protect investors from poor investments or poor investment choices. The financial standards, as set out, or any other amount does not have any relevance on an investors' sophistication.

4. Do you agree with maintaining the minimum amount exemption in its current form?

As stated, this should simply be removed.

6. How much should the minimum investment threshold be increased? Would your answer to this question change depending on whether:

As stated, the minimum investment should be removed. Provided that the proper registrants and procedures are involved.

7. Should the \$150,000 threshold be periodically indexed to inflation?

No.

8. If we changed the \$150,000 threshold what would the impact be on capital raising?

Increasing the \$150,000 threshold would be catastrophic to the industry's efforts in fundraising; especially since the value has no relevance on the decision making ability of the client.

9. Should individuals be able to acquire securities under the minimum amount exemption?

Yes my answer would be different if a proper a registrant was not involved. To be clear, purchases outside of this advice should not be allowed at all.

10. If individuals are able to acquire securities under the minimum amount exemption, should there be any limitations?

Limitations would be determined from a complete review of the investors KYC.

11. If we limited the use of the exemption to persons who are not individuals, what would the impact be on capital raising?

It would essentially shut down the industry.

12. Are there alternative qualification criteria for the minimum amount exemption?

No

13. Are there other limitations that should be imposed on the use of the minimum amount exemption?

No, simply that all transactions should take place through registered firms and dealing representatives.

14. Should the minimum amount exemption be repealed? Would your answer to this question change depending on whether:

Yes it should be repealed; unless, the transaction takes place outside of the advice of a properly registered firm/dealing rep.

15. If the minimum amount exemption was repealed:

There would not be a material difference in the issuer's ability to raise capital.

16. Are there other options for modifying the minimum amount exemption that we should consider?

No.

17. Do you have comments on the issues described above? See Background 16.

18. Are there any other issues you may have with the AI exemption?

No

19. Do you agree with retaining the AI exemption and the definition of "accredited investor" in their current form?

No they should be abolished in an attempt to put our industry on a fair footing with other regulated markets where ability to access information is the criteria for investment decisions.

20. What should the income and asset thresholds be? Would your answer to this question change depending on whether:

There should be no thresholds involved. Access to information and suitability advice should be the criteria.

21. Should the income and asset thresholds be periodically indexed to inflation?

No

22. If we changed the income and asset thresholds, what would the impact be on capital raising?

A decrease would not have a material effect on fundraising, but an increase (depending on the level) could prove insurmountable for the industry.

23. What qualification criteria should be used in the AI exemption for individual investors? Would your answer to this question change depending on whether:

The criteria used is the ability to access information and the access to suitability advice.

24. If we changed the qualification criteria, what would the impact be on capital raising?

A decrease would not have a material effect on fundraising, but an increase (depending on the level) could prove insurmountable for the industry.

25. Should individuals be able to acquire securities under the AI exemption? Would your answer to this question change depending on whether:

Yes

26. Should an investment limit be imposed on accredited investors who are individuals? If a limit is appropriate, what should the limit be? Would your answer to these questions change depending on whether:

No, again goes back to suitability based on KYC and advice from registered agent.

27. If investment limitations for individuals were imposed, what would the impact be on capital raising?

A decrease would not have a material effect on fundraising, but an increase (depending on the level) could prove insurmountable for the industry

28. Should this be considered in a review of the AI exemption?

The review by the Compliance Officer at the registered EMD should suffice.

29. Do you agree with imposing such a requirement?

No

Prestige Capital Inc.

Per: Curtis Potyondi

President