

May 29, 2012

Robert Day

Manager, Business Planning

Ontario Securities Commission

20 Queen Street West

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Sent via Email: rday@osc.gov.on.ca

Cc: The Honourable Dwight Duncan
Minister of Finance

financecommunications.fin@ontario.ca

Dear Mr. Day:

Re: Request for comments regarding statement of priorities

I am writing in response to your request for comments and specific advice on the proposed objectives for the fiscal year ending March 31, 2013.

My feedback focuses on two of the five regulatory goals you have laid out, namely your aim to “consider alternate capital raising exemptions” and your desire to “help investors get the necessary information to enable them to make better investment decisions by applying high standards of disclosure through robust prospectus and continuous disclosure reviews.”

As an Exempt Market Agent from Alberta with contacts in Ontario, I have experienced many occasions where the citizens of Ontario have wanted to participate in investments within the exempt market world. Unfortunately, due to the stringent rules around the Accredited Investor exemption and the lack of an OM Exemption in Ontario, many people do not have the same opportunities available to them as other citizens of Canada.

With the change in regulations and rules as of September, 2010, our dealership focuses on bringing investments of high quality only after completing a vigorous due diligence process. I personally ensure that I review and vet every investment before presenting them to my clients. Unfortunately, I have had a lot of interest from people in Ontario, but have to refuse due to the stricter rules in Ontario.

I have also seen Ontario based companies looking to Western Canada to raise money for small business ventures. Again, a lost opportunity for the people of Ontario.

increasingly isolated, hyper-regulatory atmosphere in Ontario threatens the competitiveness and prosperity of the province itself. Small businesses (issuers) and Exempt Market Dealers have a much smaller pool – an estimated mere two percent of Ontario’s population – from which to attract crucial capital. At the same time, residents of Ontario have far fewer options to grow and diversify their assets beyond the options provided by the banks.

Logic dictates that you consider the adoption of the OM exemption. It is not only timely, because of the lack of critical capital available to businesses, but also sensible for investor protection. It is an obvious “alternate capital raising exemption” that supports your desired to heighten disclosure standards. What reasonable stakeholder would reject the notion of fostering an efficient capital market while championing investor protection by simply recognizing an exemption that has already proven effective in all other provinces across Canada?

I recommend that the adoption of the Offering Memorandum exemption be identified as a priority for the fiscal year. At minimum, the final published Statement of Priorities should include a detailed list of capital raising exemptions under consideration.

Sincerely,

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Exempt Market Products Wealth Broker

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