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The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8

Re: CSA Proposed Amendments Relating to the Offering Memorandum Exemption

Dear Madams:

I am writing to comment on the proposed amendments to NI 45-106, in particular the proposed annual investment limits for non-accredited investors.

I have been in the investment industry coming up on twenty years. I have worked with two banks, one of the largest financial institutions in Canada, one of the largest exempt market issuers and now as a dealing rep for one of the largest and best exempt market dealerships in Canada. We extensively interview our clients even to the point (in some cases) of pushing them away to make sure the risks of our industry as well as the individual issuers are understood and accepted before investing. As well, we diversify as much as possible within the exempt market as well as with public market investments and cash etc...

One of my largest clients is worth upwards of 20 million. In this clients own words they have lost more than they currently own in real estate developments because of market cycles downturns etc... They are also quick to add that diversification and choice has been the key to them keeping and building the rest of the money they have today. He is still heavily concentrated in real estate but is much more diversified then he was, thanks to the work we have done together. As you limit choice, you limit diversification, which seems exactly counterintuitive to what you are trying to accomplish. This goes for all of my clients and friends, not just the high net worth ones.

Have people lost in the exempt portion of the securities industry? yes... but can these losses even touch the very real trillions lost in financial meltdowns over the past several decades in the public markets?

If the largest Insurance company in the world (AIG) can go into bankruptcy protection, the largest car companies, some of the largest financial institutions and tech companies go under. If a Ponzi scheme the size of Madoff's can occur within ongoing audits and under the close scrutiny of the regulators... then we can only assume that loss will in all sectors of the capital markets.

What we CAN do then is limit those losses through diversification and education. This is not going to happen with proposals like the ones being suggested or in hoping the banks will educate investors to all the choices they SHOULD have... it is going to come through well trained, value oriented advisors who can give their clients REAL choice.

I can't imagine how these proposals came up as set out in NI 45-106, maybe it is political, maybe it is a knee jerk reaction or maybe it is just simply ignorance. The problem is not alternative investments, the problem is not our clients, the problem is not the issuers and the problem is not our dealerships, Yet it seems with proposals like this...these are the ones that will be hurt.

Why should my clients (the true savers and drivers of our economy) be hindered in their choices as to what they should be allowed to diversify their investments into? Why should companies in Canada not be able to raise capital through offerings to investors? And why should our dealerships, (who have worked their butts off over the last four years to bring KYC and KYP compliance to a level not seen in other Licenses) be hindered in keeping their businesses alive?

I have met with devastated after devastated client who saw their savings basically stagnant or worse reduced over the last 10-15 years because they believed their only avenue for savings and investment was bank term deposits and high fee retail products. If you really want to help investors propose policy that is going to increase their ability to choose... not take it away.

Every single painful situation that I have ever read about in the news or otherwise that involves investors being truly hurt by their investments choices is when lack of diversification has occurred. Make diversification THE policy or proposal, not the other way around.

Thanking you in advance for listening.

This submission is being made on my own behalf.

If you would like further elaboration on my comments, please feel free to contact me at **andrew@andrewglen.ca**.

Regards,

Andrew Glen

CC:

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