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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.

It is with utter disbelief that I find myself having to write a letter regarding the arbitrary and heavy handed changes that are being proposed for the exempt market and the limits being imposed on eligible investors.

This proposal is using a paint roller to try to paint over or cover up some of the past issues that have occurred in the exempt market. Many of the issues we hear about in the media with fraudulent issuers arose due to no oversight, and often occurred from issuers who were also their own EMD.

The exempt market has been the backbone of private equity investment in Alberta for decades, and has been the seed capital for many businesses, and the source of many jobs.

I have been working in the exempt market over the last 5 years, and prior to that I worked for an investment bank as an associate in equity research. Before the introduction of NI 31-103 the market was ripe for abuse, and it has been in the last 3-5 years that we have heard about many frauds related to investments that originated in the exempt market.

The large majority of frauds and losses experienced has originated from product manufactures who are also their own Exempt Market Dealer. These issuers then hire their own sales force and push product into investor's hands that would often not meet suitability requirements. Often in many of these deals that have gone sideways there was a clear lack of alignment of investors' interest to those of the

management. The issues often lie in the enormous conflicts of interest by having a product manufacturer owning and operating their own EMD. There is no independent review of investment structure, suitability, etc.

The oversight that my Exempt Market Dealer provides is very good, and continually improving. This starts with extensive due diligence, that often leads to challenges to the issuers to improve product structure and investor alignment. In addition investors and DR often have direct access to the management team of the issuers, which allows for more information to be transferred to the investor.

The Exempt Market is a mature industry, however only in its infancy as a regulated industry. I know the industry has made giant steps forward in the last three years and continues to push for better ways to improve oversight, while not stifling investor's options.

Please listen to our industry association, NEMA, as I agree on their position on the proposed changes. A hard rule of \$30,000 limit on exempt market investment would have a profoundly negative effect on the small businesses across Alberta. Not to mention this is a massive infringement on individual's rights to choice.

Regards,



Sean Wilson, B.Mgt (Finance)

Dealing Representative of Raintree Financial Solutions Inc.

CC:

Cora Pettipas

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