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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 am a relatively new Exempt Market Dealing Representative so my comments herein are based on my own personal experiences in the investing world not those of a veteran of the industry.

I have been an investor for twenty years. I have invested in mutual funds, stocks through an online trading account, direct ownership of rental real estate, second mortgages, and the exempt market. It was my exposure to the exempt market as an investor that gave me the desire to be a representative in this space.

I feel very strongly that there should be no limits on the dollar amount that non-accredited investors can invest. Allowing only those with an extremely high net worth, or those with above average incomes the freedom to do whatever they want while everyone else has a small contribution limit simply is not fair.

It should be everyone's right to control their own financial future as they see fit. Placing a limit that paints everyone with the same brush merely hinders individual investors' ability to properly diversify. Dictating a dollar value across the board cannot serve everyone's suitability wisely. Having a government policy that ultimately decides where people should place the capital they worked so hard for instantly denies suitability. Investing is highly personal. It is based on many items such as, sophistication, risk tolerance, goals, and time horizon to name a few. A cap cannot serve us well.

In addition I do not see the rationale behind essentially forcing people to invest the majority of their portfolio in the public markets as a means of risk mitigation. Why restrict investors to a certain dollar

amount in the exempt market when they are free to gamble all of it away at a casino? I am not suggesting limits in that space I am simply noting what could be considered an absurd comparison.

As a licensed Dealing Representative I do feel that there is the required “filter” that already exists to ensure investors are adequately protected:

- Trade is conducted through a Dealing Representative (registered with a provincial securities regulator) with the “cornerstones of (the CSA’s) investor protection regime” being KYC, KYP, and suitability obligations in place under NI 31-103.¹
- If client and DR agree on a “suitable” transaction, then the trade goes to a regulatory approved Chief Compliance Officer (CCO) to ensure they agree with the suitability of the trade

In summary I strongly suggest you reconsider the proposed amendments to the Offering Memorandum Exemption, in particular the investment limits for non-accredited investors as there should be no cap dictated.

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 mike@mikeparker.ca.

Regards,



Michael Parker
Dealing Representative
Sloane Capital Corp.

CC:

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¹ CSA Staff Notice 31-336 *Guidance for Portfolio Managers, Exempt market Dealers and Other Registrants on the Know-Your-Client, Know-Your-Product and Suitability Obligations*. January 9, 2014. P 1.