



**PRESTIGE CAPITAL**

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and

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**Re: CSA Proposed Amendments Relating to the Offering Memorandum Exemption**

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Dear Madams:

I would like to take this opportunity to address the proposed changes to NI 45-106; in particular the proposed annual investment limits for non-accredited investors; if these changes are adopted, it will effectively cripple the Alberta capital market and halt the development of Alberta's first full-service Hilton Hotel and Conference Centre.

Prestige Hospitality Group develops and owns Hilton branded hotels. Our current development across from the Calgary International Airport features a 135 room Hampton Inn by Hilton, a 122 room Homewood Suites by Hilton (Western Canada's first), and a planned 280 room full-service Hilton Hotel (Alberta's first) complete with a 50,000 sq ft. state of the art Conference Centre; which received the distinction of being Hilton International's Deal of the Year. Our financing model uses construction/mortgage financing from major Canadian chartered institutions married with syndicated equity; which is a combination of public funds and principal's contributed capital. To date we have successfully used the Exempt Market, and in particular, the eligible investor rule in Alberta to raise close to \$20million of equity towards this project.

Our next phase of development at YYC, the Hilton hotel and Conference Centre, will employ over 250 people and will contribute over \$500 Million to the local economy over the next seven years. However this development which requires another \$35-40 Million, will not take place without the continued flow of capital from the Exempt Industry, nor will our goal of 10 more such assets be realized.

When Prestige first investigated this venture 5 years ago, the Exempt Industry was not yet ready to accommodate our platform, but with the implementation of NI 31-103 particularly its regulation of dealers, selling agents and suitability for clients, the sector validated itself as a market which would facilitate the efficient flow of capital from common investors to ventures which had historically high barriers to entry. Since that time we have seen projects such as our own come to fruition and provide all economic classes the ability to participate in their creation.



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If adopted the annual contribution limits will be debilitating to all stakeholders in the Exempt Market. The Exempt Market will be subject to caps which do not exist in any other capital sector in North America. It will also take away the investor's ability to participate in the lifeblood of the entrepreneurial sector; a market in which they can actually experience their investment, meet the principals and be connected to their investment dollars.

Investors can freely open a discount brokerage account and use their entire net worth to ride a penny stock, they can choose to place their entire net worth in other capital markets such as Crowd Funding, real estate, the stock market, etc. potentially without proper advice. With the implementation of the proposal, an investor will be subject to limitations in a market that currently provides KYP, KYC, suitability and product due diligence. The Exempt Market has had its' share of losses predicated on improper behaviour, but all capital markets have had similar experiences, and yet there is no discussion of such regulation in any other sector.

The constituents have voted with their wallets, the flow of capital to the Exempt Market is growing at a quick pace; while the traditional markets are losing ground. People want to experience and feel connected to their capital, the entrepreneurial spirit is alive and thriving; let's not take away the very core of wealth creation.

On behalf of Prestige Hospitality Group, I would ask that you help ensure that our business model, and that of the Exempt Market, continue to operate in an efficient and effective manner. Eliminate the proposed changes to the annual contribution limits of non-accredited investors, and continue to allow the Exempt Market to be governed by the regulations introduced by NI 31-103.

Should you have any follow up questions or comments, please feel free to contact me on my email at [Curtis@prestigecapital.ca](mailto:Curtis@prestigecapital.ca).

Best Regards;

Curtis Potyondi  
President

CC:

Cora Pettipas  
Vice President, National Exempt Market Association