

May 26, 2014

Dear Sirs/Mesdammes,

While I support harmonization of securities regulations across Canada, I do have trouble with two particular aspects of the proposed details.

Firstly, I find it extremely distasteful that investors would have to go through a bank or investment brokerage to invest in Exempt Market securities. Is it not obvious that a lot of investors go with Exempt Market securities precisely because they have a low appetite for bank securities sellers? I will not launch in a tirade about what I think of the lowly educated mutual fund pushers one finds at banks who have no imagination, push you into mutual funds they are told to sell, and simply fill out forms as if they themselves were a piece of software. My point is simple - if Exempt Market Dealers should not be allowed to sell their own securities, then it should also be made illegal for banks to - in any shape, form, or manner - sell any security to which they are related in any way. Then you'd see how quickly the banks react to that suggestion!

My second concern is that the barriers to be considered an Eligible Investor are far too high. I understand the desire to protect the 'ignorant investor', but the barriers proposed are far too high. They say - the rich know what they're doing, so let them invest as they want, but for everyone else, well, you're too stupid, so please go invest in bank issued mutual funds. I am not a fan of mutual fund with managers and salespeople taking huge cuts of investors money at every turn.

If there is concern about slimy Exempt Market dealers, go after THEM. Audit them, increase regulations on them, restrict certain types of investments - don't go after the investor and push them into the "mainstream" (but sometimes still slimy) bank and mutual fund world.

Sincerely,

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