

June 4th, 2014

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and

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Me Anne-Marie Beaudoin
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comments@osc.gov.on.ca

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

and

Government of Saskatchewan
Financial and Consumer Affairs Authority
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

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

Let me begin by giving you some background information. I began my career in financial services in 1983 as a financial advisor with Mutual Life of Canada and became licensed to sell mutual funds in 1986. In 1998 I obtained my CLU designation and in 1999 a CFP designation. In 2006 I joined an IIROC firm and in 2013 became a Dealing Representative with an Exempt Market Dealer, Pinnacle Wealth Brokers Inc.

I have been working with average Canadian individuals and families in the areas of retirement, investment and insurance planning for over 30 years and some of the clients I work with today have been with me through good times and bad for nearly that long. During that time we have seen periods of extremely high and extremely low interest rates, raging bull markets and horrifying market crashes. I've seen clients retire and then have to go back to work because of poor investment returns and significant "corrections" in the value of their investment portfolio's comprised entirely of GIC's and "publicly traded" stocks, bonds and mutual funds.

Interestingly there are no limits imposed by regulators on how much or how little these investors are "allowed" to invest in these "safe" investments. This in spite of the overwhelming evidence that huge numbers of Canadians will not be able to reach their retirement goals, either through their own savings and / or through their employer sponsored pension plans when restricted to just these types of investments.

A well-diversified investment portfolio comprised of both publicly traded and privately traded securities gives investors the best chance of achieving their objectives. Otherwise why else would huge pension plans such as the Canada Pension Plan and the Ontario Teacher's Pension Plan allocate a significant percentage of their portfolios to Private Investments?

Simply said, average Canadian investors have a much greater risk of outliving their retirement savings due to poor investment returns than they do of losing their invested capital when invested in a well-diversified portfolio comprised of both publicly traded and privately traded securities!
The limits which you are proposing, while well-intentioned will simply hand cuff investors to the type of investment choices that have proven to deliver results well short of what they require to achieve their goals.

This submission is being made on my own behalf.

If you would like further elaboration on my comments, please feel free to contact me.

Regards,

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CC:

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