

VIA EMAIL: comments@osc.gov.on.ca

June 9, 2014

Mr. John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto, Ontario M5H 3S8

Dear Sir/Madam,

Re: Request for Comment on Introduction of Proposed Prospectus Exemptions and Proposed Reports of Exempt Distribution in Ontario (the “Proposed Prospectus Exemptions”)

CIPF welcomes the opportunity to comment on the Proposed Prospectus Exemptions. We have a particular interest in the crowdfunding prospectus exemption referred to in Appendix D of the Proposed Prospectus Exemptions (the “Crowdfunding Exemption”). In this letter, our intention is not to express views on the merits of crowdfunding as a capital-raising exemption. However, since CIPF coverage is applicable in the event of the insolvency of an IIROC member firm (which are all CIPF members), CIPF has an ongoing interest in any potential coverage implications that the Crowdfunding Exemption could have for CIPF members.

It is our understanding that the Crowdfunding Exemption as it is currently described would not impact CIPF member firms. The Crowdfunding Exemption contemplates that securities must be offered through a registered funding portal, and that such portal must be registered in the category of restricted dealer. As a result, CIPF member firms, which are all registered as investment dealers, do not appear to be impacted by the Crowdfunding Exemption.

However, if registration requirements or other custodial implications for the funding portal change in the future, CIPF may wish to re-engage in the comment process, particularly if there is any resulting change in the custodial function of the relevant registered dealer firm and/or a potential effect on CIPF coverage. For example, if portals could, in the future, be registered as investment dealers and have custody over securities and/or cash of customers of CIPF member firms, CIPF would have an interest in any potential implications for CIPF coverage.



In conclusion, CIPF appreciates the opportunity to provide comments with respect to the Proposed Prospectus Exemptions and looks forward to discussing these matters further with you in the future.

Yours very truly,

CANADIAN INVESTOR PROTECTION FUND

A handwritten signature in black ink, appearing to read 'R Reszel', written over a light blue horizontal line.

Rozanne Reszel
President & Chief Executive Officer

RR/vl