

June 10, 2014

To:

The Secretary
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Me Anne-Marie Beaudoin
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Denise Weeres
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Re: CSA Proposed Amendments Relating to the Offering Memorandum Exemption

I am writing today as I feel very strongly about the proposed amendments to NI 45-106. This is my first letter I have ever written to any regulatory authority.

My name is Thomas Badry and I am a long time private equity investor as well as promoter of private equity. Growing up on a farm I have witnessed capitalism and business ventures and I see it as the foundation of Canada. From the initial fur trade routes to mining and forestry this is what our country was built on.

Without this capital foundation Canada would be a very different country. Along with this need for capital we have to offer a fair environment otherwise there is no confidence in these transactions.

For me I see all the major issues resolved simply by offering transparency. Look at the wonders transparency has done for the Canadian Senate. I do support measures aimed at providing 'use of funds' transparency. This open model would allow investors to feel the pulse of what they are invested in. With the information age there should be no reason this can not be improved.

In keeping in line with the 'use of funds' transparency I do support the model of disclosure of significant events. For instance if funds were used to purchase property... and the property title is changed/modified/lien placed etc. this should be disclosed if not prior, within 10 days of the change.

I also have concerns about some of the proposed changes as I feel that they are misguided. Namely, limiting the annual investor maximum for eligible investors. To me what this is saying is that the regulators have no confidence in being able protect investors and provide a fair environment so let us limit their losses. I see many issues with this measure and the strict control it exerts smells like communism. If an investor had an opportunity to improve their financial well being, but were told that a governing body prohibited them from investing in this because they were not wealthy, I think this would cause quite an outrage and lead to court challenges.

The \$30,000 annual limit would also be an issue if the investment had a maturity of 12 months. This would limit the investor who invested \$30,000 initially to reinvest at maturity his original capital plus growth! Placing investor limitations is not a viable solution.

Going forward I do see that global borders and boundaries are falling much like the Berlin wall and I think that if the restrictions become too cumbersome for investors in Canada then capital will flow to areas with a stable environment without these limitations. This loss of capital will cripple our economy and prosperity. I strongly urge you to look at transparency measures that increases investor confidence and strengthens the stability of our capital markets(namely private equity). These measures will attract all kinds of investors and this will benefit us just like Canada's banking system did when there was global turbulence.

My last comment is regarding the lack of repercussions for individuals who knowingly defraud investors. In my view currently shoplifting has more repercussions than a white collar crime for theft of millions of investment dollars. If there was some real fear of incarceration this would go a long way to encouraging investment managers to do the right thing.

I thank you for your time and encourage you to continue to keep open dialogue to guide this process.

Sincerely,

Tom Badry

CC:

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Honourable Charles Sousa
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