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

Re: CSA Proposed Amendments Relating to the Offering Memorandum Exemption

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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 strongly opposed to imposing annual investment limits for non-accredited investors.

I am a 20 year professional within the financial services industry. I hold a CFP, CLU and a University degree in Business administration. The proposed changes are very arbitrary and inconsistent with the rest of the Financial Services sector. The MFDA and IIROC do not have a similar policy in regards to investing requirements.

After the market collapse of 2008, it become very evident that the public markets are broken. Global financial markets are extremely volatile and individual clients are paying the price. The increased volatility has led to many of the top pension managers such as OMERS, CPPIB and Yale Endowment to move their assets away from public markets.

Here is a quote from OMERS :

"Asset Mix Policy

We continue to believe that an asset mix with ***greater exposure to private market investments positions the Plan to generate strong, predictable returns and consistent cash flows with reduced risk to meet its funding requirements over the long term.*** *Our target asset mix allocation to public market investments, such as public equities and interest bearing investments, remains 53% of the Plan's net investment assets with the remaining 47% representing exposure to private market investments, such as private equity, infrastructure and real estate.*

These allocations are influenced by the availability of attractive private assets and the flow of capital between public and private markets. *We place a wide minimum/maximum discretionary band around the allocations to provide flexibility in responding to economic and investment market conditions.*

At the end of 2013, the Plan's exposure to public markets investments was 57.4% (2012: 59.8%) of net investment assets and private markets investments represented 42.6% (2012: 40.2%) of net investment assets. The investment in private markets is up from 40.2% at December 31, 2012 due to the strong performance of private market investments in 2013.

With significant private market investment opportunities developing, our goal is to achieve the long-term target of 47% for private market investments by 2016."

As I advise my client about the benefits of saving for retirement, I owe my clients a duty to present them will all the available options that the market place offers. When I see that organizations such as OMERS, CPPIB and Yale Endowment to name a few, diversifying their portfolio's into the Private Capital Market to reduce the risk and offer consistency to their members, my clients deserve this opportunity too.

The proposed changes in Ontario to limit the purchase to $30,000 per year, is completely out of line to the rest of the industry. We are professionals, that adhere to the rules provided by the NI 31-103, we have rigid compliance processes, know your client requirements, know your product, licencing requirements. The MFDA and IIROC do not have anything that limits purchases on a product purchase.

My goals are to protect principal, maintain steady returns, create wealth and minimize tax consequences to the best of my ability. I strongly believe and support The Offering Memorandum Exemption and the Canadian Exempt Market because it allows me to provide these strategies and outcomes to my clients.

I believe the implementation of NI 31-103 with its emphasis on Client Suitability has had a very positive effect on the industry and provided excellent guidelines for conversations with clients about investment selections.
I am concerned that imposing annual investment limits for non-accredited investors would negatively impact my current and future clients in the following ways:

- Clients would be unable to properly diversify if they can only put $30,000 per year into the Exempt Markets.
- Clients with larger amounts of investible assets who are looking to move money out of the public markets, or out of a company pension plan, will not be able to deploy all of their desired capital in the same year, leaving them vulnerable to the volatility of the public markets.
- Clients who are successfully exiting out of projects where they have already invested more than $30,000 would not be able to re-invest the full amount of their principle and/or growth into the same Private Equity Markets that offered them the successful, profitable experience.
- Without the opportunity to invest a meaningful portion of their assets in cash-flowing investments with a predictable return (e.g., 8% annual return, paid monthly), my clients near or in retirement will have to resort to public market investments that are volatile to try to achieve the same cash flow, or accept a much lower cash flow, higher fees and begin to deplete their principle.

My clients and I have had many intelligent, educational conversations about the benefits and risks of both Public and Private Equity Markets. An arbitrarily imposed $30,000 annual investment limit is both insulting and detrimental to my clients who have made their decision to diversify in the Private Equity Markets.

This submission is being made on my own behalf.

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

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Sincerely,

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