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and

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[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

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](#)

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 have been licensed in the exempt markets for 6 years now and I have always been frustrated for my clients on behalf of the provincial regulations that imposed such high restrictions for those who live in Ontario vs those who literally lived across the river on the Quebec side where the criteria is much less stringent and open for clients to have access to the private markets to diversify their portfolio. Based on current regulations because they live on the wrong side of the river they are not afforded the same opportunities that large institutions and the very wealthy have been taking advantage of for some time.

One step forward two steps back. The proposal to allow eligible investors in Ontario to invest in the exempt market is a step in the right direction however the hard line in the sand limitation of only allowing investors a \$30K cap per year makes no sense. This does not allow for proper diversification and diversification is key especially considering what the public markets expose investors to.

I do not have the same imposed restrictions on making investments in the public markets where negative returns have been a constant roller coaster nor do I have the same restrictions at the local casino (these must be considered much more secure investments ?). I can't help but feel that this industry is being regulated on a trial basis with this proposal rather than doing the right thing from the beginning.

There are many pension companies like Manulife and Caisse Depot that have been investing in the private exempt market space for some time – why is that?? Recently CPPIB has partnered with an exempt issuer committed to \$200 million representing 85% in this particular joint venture.

The required filter in determining suitability already exist in the exempt markets and with no less scrutiny than in the public markets. Dealing reps are licensed with the necessary provincial security regulators, conduct KYP, KYCs and suitability guidelines required by N1 31-103. CCOs further review the process to ensure the investments are suitable and will deny the trade if necessary.

In summary, I strongly suggest that a decision is made to move in the right direction forward from the beginning – “No Cap!”

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 EMAIL.  
Regards,

Michael Zabchuk

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