To Whom it may concern:

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

As an Issuer, Exempt Market Advisor and Exempt Market Investor I personally and professionally am Strongly Against an Annual Contribution Limit on Exempt Market Products.

More beneficial would be a collaborative, industry-wide approach to seek solutions from all Exempt Market participants such as Issuers, EMD's and their regulators to generate policies and solutions to reduce fraud and investor losses. It is in the interest of all of us that frauds and losses are minimized and I strongly believe that this is where the focus should be.

Sufficient investor mechanisms are already in place under NI 31-103 which include Suitability and Diversification factors. These practices have already greatly improved the quality of service that is provided to investors. Utilizing the current qualification practices in determining an individuals specific risk tolerance and dynamic portfolio goal requirements adequately meets the needs of this investment space.

Increased costs and risks would also be incurred. The OM Exemption, which is generally used by Exempt Market Dealers and their Dealing Representatives is "designed to facilitate early stage and small business financing" yet the costs associated with the current EMD regulatory regime, coupled with regulators attitudes that losses are 'unacceptable' make funding riskier, small business very problematic in its current form. Adding these arbitrary contribution limits would even further reduce financing for new enterprises as;

- Eligible investors wanting to take "suitable" SME investment risks would be capped at investing $30,000 per annum.
- Those that do not qualify for Eligible Investor status wanting to take these "suitable" SME investment risks would be capped at investing $10,000 per annum.
- Many existing Dealing Representatives, particularly those who are long term client focused, would leave the industry due to having their ability to earn a living "capped" given the time, complexity, and liability involved with working in the exempt market
- EMDs would have additional costs of dual (conflicting) compliance regimes of suitability on one hand and contribution limits on the other.
- EMDs would be less willing to undertake fundraising efforts for enterprises that have a risk of undercapitalization as their ability to raise funds would be inhibited.

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 sg@scottygrubb.com

Regards,

Scotty Grubb

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