



June 16, 2014

VIA EMAIL

The Secretary  
Ontario Securities Commission  
20 Queen Street West, 22<sup>nd</sup> Floor  
Toronto, ON M5H 3S8  
[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Dear Sir/Madam:

**Re: CSA and OSC Proposed Amendments Relating to the Offering Memorandum Exemption**

In view of the proposed harmonization between the BC Securities Commission and the Ontario Securities Commission, whereby a cooperative capital markets regulatory system will be created, we believe it is necessary as a B.C. based Mortgage Investment Corporation to comment on the proposed amendments to NI 45-106. We do commend the OSC on their desire to provide exemptions to assist start-up and small and medium sized enterprises with capital raising. However, there are two proposed amendments which we believe severely limit investor choice and have negative consequences for the mortgage investment industry:

- Investment limits  
We do not support the proposed investment limits on the amounts that individual investors can invest under the OM Prospectus Exemption. Limitations on investment amounts is overly intrusive and will be difficult to enforce. An investment limit will not only impact our investors, it will also restrict our ability to raise capital, resulting in a contraction of the amount of funds available to lend. For our borrowers, they would likely see the availability of capital decrease and their cost of funds increase.
- Registrants  
Restrictions should not be placed on an investor's choice of investment dealer. Investors should have the freedom to choose their investment dealer, even if that dealer is "related" to the issuer.

Presently, under British Columbia's Offering Memorandum exemption, an investor can invest in an exempt market product in any amount and through any dealer they choose. Investors must sign a risk acknowledgment form, which clearly outlines the risks associated with an investment sold under an exemption. These requirements should not change. In conclusion, exempt market investors are aware of the risks and should continue to have the freedom to choose the amount of their investment and their investment dealer.

We would like to thank the OSC for the opportunity to comment on these proposals.

Yours truly,  
**Interior Equities Corp.**

Doug Finlay  
General Manager

CC: Honourable Michael de Jong  
Minister of Finance

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