

June 16, 2014

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

via email: comments@osc.gov.on.ca

Dear Sir/Madam:

Re: CSA Proposed Amendments Relating to the Offering Memorandum Exemption

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

For the past 9 years I have been employed by a small Mortgage Investment Corporation, Sierra Mortgage Fund Ltd. ("Sierra") with a current capital base around \$7,000,000 and having approximately 75 investors, myself being one of them.

The proposed amendments to the Offering Memorandum ("OM") exemption do not specifically affect my investing ability in Sierra as I can invest under the 2.24(1) as an employee of the company however, it would restrict my ability to diversify my personal portfolio in any other exempt market product, an industry I am knowledgeable in and comfortable investing in. I'm 34 years old, I have a modest home with an average mortgage. I save every dime I can as I do not have a pension nor do I have the comfort of an employer with an endless supply of money that can match a pension contribution therefore the amount of my retirement savings will be a direct reflection of my personal investment choices. This proposed amendment to the OM is taking away my freedom to choose and be responsible for my own choices. In short, it will confine me to a below average retirement.

In addition to restricting my freedom of choice, with the incessant interjection from all levels of government, my continued employment is questionable. Allow me to clarify...

The growth of our business is very largely dependent on word of mouth, current investors speaking to their friends and families about their experience with Sierra. With this new proposed amendment we would have to discriminate and turn these referrals away at the door unless they are among the rare and very select group of accredited investors. In our small geographic working area, these are hard to come by.

The description of an "accredited investor" could very well be summed as "the stinkin' rich exemption". Though we do have a few wealthy investors in the mix, a large majority are the average working folk or average retired folk supplementing their income with the dividends earned on their investment. Over the years, these investors have become friends or business associates but did not all originate as such. By amending the OM exemption you are restricting income sources for the retired.

There is not just the extreme effect this proposed amendment will have over the average investing population to be concerned about, let us not forget the MIC managers, Mortgage brokers, and all the employees in these different corners of this industry who will be affected. By reducing our investor base, you are reducing BC employment.

For the moment, we will set aside reference to our construction borrowers who also contribute to the improvement of our economy and provide continued employment to many.

The borrowing public; also very important to educate yourselves on the effect this proposal will have on them. On average at any given time we have 30 - 35 loans. A majority of these individuals have for a variety of reasons become unacceptable to lend to in the eyes of the institutions, whether it be due to credit bureau blemish, employment hiccup, foolish credit over-extension or other impairments such as disability. As the institutions lend on a borrowers' covenant and are restricted to the tight little box of guidelines these borrowers have few alternatives. Turn to family for help, if they are so lucky to have an "accredited investor" type in their family that is willing to assist or request private financing.

Our role here is two-fold. Our investors funds are secured by the carefully selected underlying real estate and provide a consistent and rewarding return to those investors. It is this pool of investors funds that assist these borrowers back on their feet with the anticipation of being on the road to financial stability. By reducing our investor base, you are greatly reducing the assistance available for these individuals.

There is risk in life and no amount of government rule and regulation is going to change that. Canadians are proud to brag about our freedom but the sad truth is government is eroding this freedom at such an alarming rate by imposing restrictions to so many aspects of our lives we are soon to all be prisoners taking instruction from the hierarchy and unable to think and do for ourselves.

Be very careful how far you go in protecting us from ourselves.

The government's role is to educate not dictate:

Educate the public to protect *themselves* from the criminals and enforce harsher penalties for the convicted.

This submission is being made on my own behalf.

If you would like further clarification on my comments, please feel free to contact me at oac@telus.net.

Sincerely,



Rebecca Phillips

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cc: samanthagale@mbabc.ca