

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

I've just read the submission from the Mortgage Brokers Association of BC regarding NI 45-106. It is true that the proposed \$30,000/yr limitation is paternalistic and will severely limit the income of those dependent on higher yielding private investments to obtain income to live on. This will ultimately fail and cause the creation of a much higher risk, unregulated underground debt market. One fraught with risk to the investor and unsustainable costs to borrowers.

As a commercial mortgage broker for over 30 years and former Vice President of the Deutsche Bank's McLean McCarthy Limited investment dealer, I would much rather see your efforts focused on homogenizing minimum underwriting standards and homogenizing documents so that a secondary market in private paper can be created and exist more smoothly and securely. Focus also on creating easier access to police record checks, establish and maintain a database of known, banned fraudsters which database can be searched using facial recognition.

Also, don't put such similar restrictions as you've suggested on Crowd Equity Funding but rather again, focus on due diligence and underwriting by the crowd funding portal, homogenization of documentation, etc to facilitate a secondary market. Our economy needs limits on fraudsters so let's "Out" them on a database located on the front page of each provincial security commission and have that be a single, national database. I'd even want to know who has been charged but due to technicalities, guilt was not proven. Let's not hamper or escalate costs to those prepared to invest the time to honestly underwrite investments on behalf of mortgage investors or crowd fund investors. Give those doing the underwriting the tools to do the work required, require a certificate of completion showing that at least the statutory minimum was done and then let everyone get on with business. Frankly, set some reasonable parameters as suggested above, provide access to the tools and then get out of the way.

Sincerely  
Larry Carter

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