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[denise.weeres@asc.ca](mailto:denise.weeres@asc.ca)

[consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

Denise Weeres  
Manager, Legal, Corporate Finance  
Alberta Securities Commission  
250 – 5th Street SW  
Calgary, Alberta T2P 0R4

and

Me Anne-Marie Beaudoin  
Directrice du secrétariat  
Autorité des marchés financiers  
800, square Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montréal, Québec H4Z 1G3

[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

and

Government of Saskatchewan  
Financial and Consumer Affairs Authority  
Suite 601, 1919 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H2

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

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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 am very disappointed in this proposal, as it would jeopardize the industry professionals as well as investors. NI 31-103 was implemented almost four years ago and serves the purpose quite well. I cannot see any concrete evidence showing that Exempt Market products involve any more risk than public market investments. The ultimate goal should be consumer(investor) protection and these proposed changes will have negative consequences for everyone. An industry wide collaborative approach would be best for everyone to protect the investors as well as the industry as a whole, not some top down unconstitutional change that will affect many people negatively.

Many small businesses rely on raising funds in the exempt market industry. Over 95% of small businesses in Canada have less than 20 employees. We have had some land deals, some deveopment deals and some small business management buyouts all done very successfully in little old Saskctehwan using these exempt market products. We have had parts of Ontario, British Columbia and Manitoba using these private equity investments. Many areas in Alberta have thrived because of the exempt market has provided great jobs, careers and opportunities, both in the financial industry as well as construction, hospitality and many others. Not to mention allowing Canadian investors to diversify and invest reasonable amounts into the United States and increasing their net worth with those opportunities as well.

Since the implementation of NI31-103, we already have sufficient protection in place. The key now is to hold the Registered Dealers and the Dealing Representatives accountable in following the rules as well as making sure the issuers are following the OM`s and keeping the deals solid and secure. There should also be stricter guidelines in regards to registration and the old school "friends and family" types of deals as well as dealerships with limited, including only their own, investment options. It is scary when I see people putting their life savings into one project with no diversification.

We shouldn't be looking at restricting amounts investors can invest, we should be looking at raising the education minimums. Although there are some very educated people in this industry, I believe further education will increasingly make the exempt market industry more beneficial to everyone. I know that myself as well as some of my associates invest an inordinate amount of time furthering their knowledge, with the products and investments, with the industry, with the clients, with other relevant financial information and with other areas. We also spend time educating clients on various options and suitable investments for them. I always review current and future incomes, risk tolerances, investment knowledge, asset base, tax situation, financial goals and succession and estate plans.

Diversification is possibly the most important thing when working with a client. Some issuers have minimum investments of \$25,000. If these proposals came into effect, an average eligible investor could not invest in these companies. Most of the issues that I have seen in this industry has been to a lack of diversification. If we are properly diversifying the portfolios of our clients, and a product does go "sideways" they will usually be in much better financial shape than they would be with "traditional" investments. When I am looking at diversification and building a portfolio, I am always looking at fixed income/debt instruments/development projects/land developments/natural resources and making sure the client is well diversified. We also look at geographic areas and asset classes such as commercial or residential as well.

The last thing is that this whole proposal seems unconstitutional. We have banks selling and upselling all sorts of credit cards, home equity lines, large mortgages etc and then we are telling people that someone who makes \$60,000 or has a net worth of \$200,000 invest the same way as someone making \$150,000 a year or has a net worth of \$1,000,000. That just does not make sense at all. How can investors be allowed to invest all of their life savings in certain stocks or areas of the stock market and lose all of that without any kind of sanctions or new rules coming into place. How did the investors ultimately do that invested in companies like Worldcom, Enron, Lehman Bros or "great" Canadian companies such as Bre-X, Nortel or RIM? Someone can spend 5 minutes setting up an online account and dump their whole life savings into a junior mining or resource company and that is not high risk with any sort of rules?

This submission is being made on my own behalf.

If you would like further elaboration on my comments, please feel free to contact me.

Regards,

Allen Hewko  
Box 117  
Neilburg, SK  
S0M 2C0  
306-823-4355

CC:

Cora Pettipas  
Vice President, National Exempt Market Association  
[cora@nemaonline.ca](mailto:cora@nemaonline.ca)

Michael Warnes  
Private Equity Market Specialist, Pinnacle Wealth Brokers  
[michael.warnes@pinnaclewealth.ca](mailto:michael.warnes@pinnaclewealth.ca)