## denise.weeres@asc.ca

consultation-en-cours@lautorite.qc.ca

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

Me Anne-Marie Beaudoin
Directrice du sécretariat
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

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

Re: CSA Proposed Amendments Relating to the Offering Memorandum Exemption

and

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.

My name is Brent Larison and I am the Ultimate Designated Person for Omnus Investments Ltd, an independent Exempt Market Dealer in Alberta. I am also an investor. I am passionate about the industry and providing a means for companies to grow and thrive with capital for various projects and at the same time provide growth to investors, both accredited and non accredited.

With respect to the proposed amendments that impose aggregate investment limits for both eligible and non-eligible investors, I have some comments. I am fine having a \$10,000 maximum per calendar year for individuals that do not meet the definition of eligible investor. However, I do not agree with the \$30,000 maximum per calendar year for individuals that qualify as eligible investors. Currently exempt market dealers ("EMDs") like ourselves currently operate in a regulated environment and have been required to be registered with applicable securities regulatory authorities under NI 31-103. Pursuant to

such registration requirements we have existing obligations to their clients with respect to "know your client", "know your product" and suitability obligations. Imposing an additional investment amount limitation on investors who are being advised by an EMD undermines the very purpose of such EMD obligations and provides an unnecessarily restrictive safeguard. The imposition of such an investment restriction may in fact create additional risk for an investor as it may not allow an investor to achieve appropriate diversification in their investment portfolio. Restricting the eligible investor to a maximum of \$30,000 will not protect the investor as much as other options such as restricting Issuers from taking a lift upfront or heavy commissions to incentivize sales. Restricting the amount that an eligible investor can invest will cost the issuers more money to raise capital and there will be less dealing representatives to raise capital resulting in more restrictive source of capital for issuers. These two items will likely result in higher upfront lifts and higher commissions to incentivize dealing representatives even more. I would also suggest restrictions on the issuers who do not have their own funds invested in their own offering as several of the failed companies in the exempt market space have not had the principals with "skin in the game". I am also concerned for the companies who would cease to exist and the effect on the economy across the country. It would stifle ingenuity, inventors, company growth and the spinoff benefits of employment, tax base, etc. The maximum investment amount placed on investors would also restrict the growth rate of their investments as I have experienced more consistent and larger growth in the exempt market for myself and others than in mutual funds and bank investments. Thank you for your time and the opportunity to communicate to you regarding this matter.

Yours truly,

**Brent Larison** 

Omnus Investments Ltd

#213, 4918 Roper Rd.

Edmonton, AB

T6B 3T7

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 brent@omnusinvestments.com.