



SOPHOS CORP.
CAPITAL
different...

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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

Dear Sir(s)/ 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.

As an investor, and a registrant, I believe that the proposed changes would significantly interfere with an individual's investments choices, and their ability to direct their portfolio in a manner that fits within their individual tolerances as well as their long term objectives.

Additionally, the administrative cost to issuers and dealer registrants will significantly increase, and breakage and transfer fees will also inevitably be passed on to the investing public.

Though I am unsure of the direction or the need for such a cap on investing in the Exempt space, It is perceived to be regulatory or government interference, limiting certain demographics and in some ways their fundamental rights and Freedoms to invest, and assume risk. This limitation will choke capital markets, and the only place I might be in favor of such a move would be on a specific offering such as a crowd funded issue or start up.

The investors, through risk assessment and risk acknowledgement, led by upright advisors can manage the process well, and investors can ultimately decide on where they place their money, without being forced into mutual fund or stock markets due to severe limitations placed on the Exempt markets, creating an imbalance in the capital markets and painting the industry with a protectionist agenda. Client review and due diligence / vetting has significantly improved as investors become more wary and sophisticated, and I believe that the Exempt market manages this process well without intervention. I don't believe that this change is being driven by investors.

The impact on the industry and the investor will be significant should this proposed change be passed, it certainly will create a unfair advantage for banks and other investment products and providers at the expense of the Exempt market, and put small and medium business enterprise and capital markets as a whole at risk by forcing capital into much riskier gambling and investments.

This submission is being made on my own behalf.

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

Regards,



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