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

**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 have been a DR since Sept 2010 and I worked with alternative investments for years leading up to this date.

I have seen massive evolution in this ‘space’ over these many years and I have been pleased with the general direction of regulators up to this point. Regulation was required and has been implemented to ensure our clients’ best interest.

However, the proposed investment limits are unacceptable and show little understanding of the Exempt Market.

Presently, this industry has implemented many protection mechanisms including: know your client, know your product, client suitability, verbal discussions between the client and Dealing Representative, approval by compliance, etc. These mechanisms have ‘raised the bar’ in a positive direction.

Without a doubt the newly proposed limits would take this industry in a negative direction.

The Exempt Market is an important part of our economy and needs to be developed ‘outwards’ while protecting investors from predatory sales practices and criminals. The proposed limits do not develop this industry – they would severely ‘constrict’ and end the progress that has been made over the last 4 years!

The goal of regulation needs to focus on how to help investors appropriate decisions – rather than limit the decisions they can make. What is fair is to allow investors to decide what is right for their circumstance and portfolio. Choosing arbitrary limits with the hope that they will ‘fix’ things is short-sighted and unfair. Canadians need to be able to choose what they will purchase and how they will invest

The proposed limits do not take into account the earning potential, sophistication or investible assets of an individual. They assume absolute levels of risk which does not make sense since risk is relative to many factors. To say that 30k/yr should be the limit – why? Based on what? What is the foundation for such this limit? Will this limit be brought forward for other types of investments? If not – why not?

A better strategy to strengthen this industry is to work with the EMD's and issuers. Investors, creators of private business and our economy depend on regulations that allow all parties to flourish.

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 [clayton.ostapowich@pinnaclewealth.ca](mailto:clayton.ostapowich@pinnaclewealth.ca).

Regards,

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