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and

Me Anne-Marie Beaudoin
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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 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 in financial services industry since 2007. Since day one, I've taking an education stance when dealing with my clients and providing financial education to them is a top priority. I started out in 2007 dealing with mutual funds and segregated funds. As basically everyone's portfolio dropped anywhere from 20-50% in the 2008 market crisis it became increasingly obvious that someone having all of the money invested in the stock market was not the best option. It was at the point where I began to explore other options; I began working within the Exempt Market with Raintree Financial Solutions in late 2011. My clients have been very receptive to the Exempt Market since the investments are generally asset backed and have been able to provide some much needed diversification to their portfolios.

The Exempt Market industry has undergone some very positive changes lately with the implementation of the NI 31-103. With that came the increased KYC, KYP and suitability requirements in place now and along with the added compliance, which all are in place to help properly protect the investor.

I believe there are several major issues with the proposed changes:

1. Clients may not be able to properly diversify their portfolios. If a client has a larger portfolio they may need to invest in the traditional stock market and take undue risks or may have to keep a portion of their money cash, which can create inflation risks.
2. If a client has a successful exit on one of their investments over \$30,000 they can't even reinvest all the money within the same calendar year.
3. I strongly believe these proposed changes are a direct violation of someone's charter of rights and freedoms and could be deemed unconstitutional.
4. There is no limitations or regulations in place to prevent someone from investing or losing millions of dollars in stock market companies like Bre-X Minerals in 1997, Enron in 2001, Nortel 2000-2002, etc...

In conclusion, I believe this proposal would be a detriment to all clients, the Exempt Market and also the entire Canadian investment market.

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 mstewart@raintreeemd.com

Regards,

Matthew Stewart

CC:

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