

The following comment letters were submitted to the OSC and are identical or substantively the same. The names of the commenters that submitted these letters are set out below.

No.	Commenter
1.	Rosenberg, Cathy A.
2.	Rosenberg, Joel J.

May 25, 2014

The Secretary  
Ontario Securities Commission  
22<sup>nd</sup> Floor 20 Queen Street West  
Toronto Ontario M5H 3S8  
[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Minister of Finance  
Honorable Joe Oliver  
Department of Finance Canada  
140 O'Connor Street  
Ontario K1A 0G5  
[Joe.Oliver@fin.gc.ca](mailto:Joe.Oliver@fin.gc.ca)

The Honorable Michael de Jong  
Minister of Finance  
PO BOX 9048  
Stn Prov Govt  
Victoria BC V8W 9E2  
[fin.minister@gov.bc.ca](mailto:fin.minister@gov.bc.ca)

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

Dear Sirs/Madams:

I am writing to express my opposition to proposed amendments to NI 45-106 as they relate to the proposed yearly investment limits for non-accredited investors. I also wish to express my opposition to the proposed amendment to restrict Exempt Market Dealers (EMDs) from being able to sell securities of related Issuers.

I have never had the benefit of working for companies or a government agency that have a pension plan. All my savings are in RRSP, RESP and non-registered accounts. My lifetime of saving and investing has been focused on providing for my kids' education and for our retirement – with a view that that we cannot depend on government programs nor do we want to. While we are not wealthy, we have purposely focused on saving over the years to build our retirement assets.

I am a long time investor and over the past 20 years, like the majority of Canadians, I have invested in stocks through a couple of bank (IIROC) brokers and primarily in mutual funds through a few financial planners (MFDA). Over the last few years, I have been moving my portfolio to an online discount broker and an exempt market provider (Mortgage Investment Corporation). You may ask Why?

Through my personal experiences in dealing with advisors and their products, I have found that that IIROC and MFDA expert advisors (managing 99% of my investable assets) have generated a break-even position in my portfolio between 1998 to the beginning of 2014 with growth only happening because of annual deposits. I have lost all capital appreciation over these 16 years on the advice of these experts! Over this time, I experienced huge volatility and at multiple points in time having paper losses of 35% or more! Also over this period, I have paid 2.5 – 4% annually in fees to the providers.

A good return for them not for me – so much for their expert advice!

There have been no restrictions on me either as to the amount I invest or whom I have invested. Even through my investments were in so-called less risky mainstream investment providers, invested in a balanced mid-growth type portfolio (not high growth risky products), my mutual funds have experienced significant losses of up to 100% in widely held 'blue chip' Canadian stocks including Nortel, Blackberry and - lest we forget - Bre-X Minerals.

I had made these investments decisions, with full disclosure and advice from the financial advisors; I just do not see any value I received for my fees over these 16 years. Do you?

Over the last several years, I have started using an Exempt Market dealer and making investments in Exempt products primarily a Mortgage Investment Corporation (MIC). I choose to invest in Exempt products because I am tired of the volatility of the public market and the lack of value (performance) I receive for the fees paid. In comparison, if I had invested over the same period in a combination of a MIC and utilized index funds through an online broker I would have generated 5-10% annually and not paid those exuberant fees. This would have doubled or tripled my capital for retirement. Invested in what I would classify as similarly risky investments across the portfolio (some winners, some losers) without the volatility!

**Investments are a personal choice! Any investment, in any amount, and regardless of my means, should be MY personal decision, and must not be dictated by government regulators.** Regulators should focus on disclosure, education and enforcement on providers and their products! Specifically they need to standardize disclosure of the risks; financial results, advertising and past returns. This would enable me to make informed decisions using similar information standards. I wholeheartedly support the proposed changes relating to these issues.

So why should my 'investment' choices be restricted in any way, particularly when I am working with a qualified licensed registrant of a securities commission? I have received detailed disclosure information through the Offering Memorandum. I am aware of the risks (and rewards) of investing in the exempt market. I must read and sign all the required Risk Acknowledgement forms. **I should have the freedom to make informed, independent choices regarding the amounts of my investments! as I have and do in all other markets!**

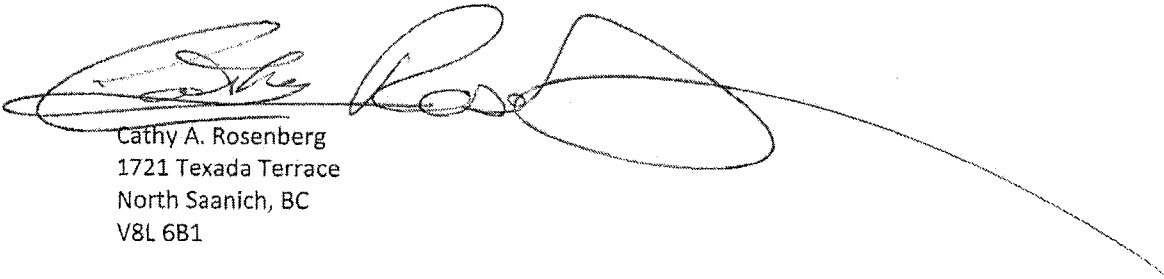
I am comfortable with amounts that I invest in any given year and over time, and I do not support imposing caps on the amounts I can invest. How can I balance or grow my portfolio being limited in the amounts I can invest on a yearly basis. All Exempt Market Dealers are subject to the same standards, education requirements, regulatory oversight and professionalism. I do not support imposing restrictions on who I can deal with in terms of an Exempt Market investment.

I wish to choose the dealer I want, even if the dealer is related to the Issuer, who knows the product and the company operations better – just please regulate that all OM's must be provided through exempt market dealers and regulate all exempt market dealers into standardized rules of accounting and disclosure! **I should have the freedom to make informed, independent choices regarding my investment dealer!**

I am a long time conservative supporter and believe in a free and efficient market. I have supported the movement to form a National regulatory body to drive efficiencies and improve competitiveness to attract capital and reduce the cost of capital. What I do not support is a national system driven by regulators who think they should be determining what, how much and with whom I can invest! In my view, this fundamental right is non-negotiable and if a national regulator adopts the OSC and CSA perspective, I cannot support a National system or the political parties that endorse it.

This submission is being made on my own behalf.

Regards,



Cathy A. Rosenberg  
1721 Texada Terrace  
North Saanich, BC  
V8L 6B1

Email: [cathy.rosenberg@shaw.ca](mailto:cathy.rosenberg@shaw.ca)  
Phone: 778-351-2224

c.c. Dawn Paniz, Chief Financial Officer & Senior Vice President, Investment Markets  
[dawnpaniz@fisgard.com](mailto:dawnpaniz@fisgard.com)

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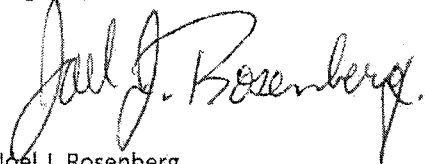
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c.c. Dawn Paniz, Chief Financial Officer & Senior Vice President, Investment Markets  
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