

Via Email

April 16, 2013

John Stevenson
Secretary
Ontario Securities Commission
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Toronto, ON M5H 3S8
email: jstevenson@osc.gov.on.ca

Re: OSC Staff Consultation Paper 45-710 – Considerations for New Capital Raising Prospectus Exemptions

Mr. Stevenson,

We appreciate the opportunity to comment on the OSC Staff Consultation Paper 45-710. We want to first commend the Ontario Securities Commission in the substantial efforts and resources which it has dedicated to assessing the potential benefits Crowdfunding can bring to the Canadian economy while remaining committed to protecting Canadian investors and issuers alike.

The significant positive impacts which Crowdfunding can have on the Canadian economy are considerable in terms of job growth, innovation, funding efficiency, and global economic leadership. The current funding gap in the SME sector and its potential remedy through Crowdfunding has been well documented and needs no further substantiation. However, beyond the inherent benefits of these additional capital flows, a properly implemented Crowdfunding source of capital will bring our country considerable benefits by way of new jobs, new technology, and a categorically stronger providence of tomorrow's entrepreneurial leaders.

About Optimize Capital Markets and its Online Portal

Optimize Capital Markets™ (www.optimizecapitalmarkets.com) is building the Largest Online Marketplace in North America where Accredited Investors and Institutions can discover and trade in Private Investment Opportunities. Through its online portal, Optimize Capital Markets™ currently connects accredited investors directly with businesses seeking financing and other investment opportunities. Typical deals include Infrastructure Projects, Real Estate Developments, and Proven Technology Companies.

Optimize Capital Markets™ launched its operations in September of 2009 out of Toronto and has been covered widely by the Press as per the below periodicals:

The National Post: *Match Game*

<http://www.nationalpost.com/news/Match+game/420096/story.html>

Macleans: *A Place for Pitches*

<http://www2.macleans.ca/2010/10/14/a-place-for-pitches/>

Profit Guide: *Dating for Dollars*

<http://www.profitguide.com/startup/success-stories/dating-for-dollars-30010>

Specific Comments

1. Limiting Investment Amounts per Investor is the Right Approach

Placing monetary limits on the amount an investor may invest in any one issuer as well as within any one annual period is the right and prudent approach. Understandably, as there will always remain a certain amount of risk to any new investing avenue regardless of the amount of regulation it receives, monetary investment limits are a necessary protection. Perhaps in years to come as these risks become better known, these monetary limits can be raised or removed, but in the beginning stages we feel this is a very prudent approach to take.

2. Implement Crowdfunding Exemption Quickly to Maintain Canada's Innovative Leadership

Fostering Canada's innovative culture and spirit of entrepreneurship is of paramount importance to our country remaining a global leader. Crowdfunding is a natural evolution of efficient and transparent markets brought on by the technological advances of the internet and social media. With Crowdfunding comes significantly greater levels of issuer transparency, accountability, and investor's product knowledge. As a country, we must act from a position of leadership if we are to encourage our country's citizens and potential citizens to imagine, create, and raise the necessary financing to build large and successful companies. If we fall short of this, we stand to risk losing these entrepreneurs to other economies who chose to advance quicker in the new source of growth capital offered through Crowdfunding.

3. Reserve Crowdfunding Exclusively for Issuers which will Create New Jobs in Canada

We believe that Crowdfunding's main benefit and byproduct is to fuel innovation, entrepreneurs, and job-creators alike. As such, we believe only companies which will use the raised capital to create new jobs in Canada or investment funds which will in turn invest in companies which will create new jobs in Canada should be allowed to receive funding through Crowdfunding.

4. Prospectus Exemption based on Investment Knowledge is Prudent

The Prospectus Exemption based on Investment Knowledge is prudent and much more in line with investor protection. An individual's ability to grasp the risk and return tradeoffs which a particular investment offers is of far greater importance and protection than his/her net worth. Their ability to properly ascertain the potential for loss or profit of a financial instrument is most correlated with their knowledge towards investments. It is in the investors' best interest and in the overall interest of fairness to base a prospectus exemption on an investor's knowledge towards financial investments rather than an investor's financial net worth.

5. Crowdfunding Portal Companies Must be Registered Directly as Exempt Dealers

While the benefits of Crowdfunding are clear, proper protection for investors is mandatory. As current registrants, we believe that the participation of a registrant in the Crowdfunding process will help to mitigate the risks associated with Crowdfunding. Registrants are subject to a much higher degree of rules and regulations such as the KYC and KYP requirements. More Specifically, Crowdfunding sites must not be allowed to operate under the license of a third party company registrant but must be registrants

themselves. Only in this way will the Crowdfunding Portal obtain the necessary personnel, with the necessary knowledge, qualifications, and responsibilities to maintain and follow the necessary investor-protection policies created and enforced by the Provincial Securities Commissions throughout Canada.

Conclusion

We again commend the OSC on the considerable time, money, and resources it has committed to the analysis of Crowdfunding in Canada. Through its past and present efforts, we believe that the OSC is well on track to stimulating job growth, encouraging innovation, protecting Canadian investors, and displaying strong global regulatory leadership.

Thank you for the opportunity to provide comments on the Consultation Paper. We would welcome the opportunity to discuss the foregoing with you in further detail. If you have any questions or require further information, please do not hesitate to contact us.

Regards,



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