



GENESIS LAND DEVELOPMENT CORP.
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Stock Symbol – GDC-TSX, Website: www.genesisland.com

June 12, 2007

To:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorite des marches financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary, Ontario Securities Commission jstevenson@osc.gov.on.ca
Anne-Marie Beaudoin, Directrice du secretariat, Autorite des marches financiers consultation-en-cours@lautorite.gc.ca

RE: **Comments CANADIAN SECURITIES ADMINISTRATORS (CSA) REGISTERED REFORM PROJECT (RRP) / National Instrument 31-103**

I am writing to express my concerns as an officer, director, and a major shareholder of a Calgary based publicly trading company, Genesis Land Development Corp. (GDC-TSX) on the subject project and national instrument, especially with respect to the proposals regarding “Market Exempt Dealers and Representatives”.

Our primary business is the development of major urban communities to accommodate the growing need for housing in our booming economy. We have four (4) major communities in the Calgary Metro Area, including Bayside and Canals in Airdrie, as well as Sherwood and Taralake inside the city of Calgary. As a public company, we could use our stock to raise funds for expansion, but that is NOT an economically viable option at this time, due to the fact that we are trading at a considerable discount to our net asset value.

Genesis uses prospectus exempt securities to raise equity capital (through the form of limited partnerships) that allows us to purchase land holdings that we take through the development approval and servicing process. We have raised more than \$45 million over the past three years, and plan to continue to expand our program. To date, we have completed development of more than 3500 homesites (nearly all in the Calgary area).

In simple terms, the new proposed regulations will greatly reduce the ability for our company to purchase new properties for development and thus inhibit our ability to help fulfill the demand for new and more affordable housing in our growing province.

EXISTING LEGISLATION NI-45-106 IS ALREADY EFFECTIVE – **ENFORCE IT !**

We do NOT see the need to change the existing (and in our opinion very well drafted) legislation NI-45-106, which allows private (and public) companies to use prospectus exempt securities (such as those offered through offering memorandums). The regulations within NI-45-106 already cover:

- a) Full disclosure requirements
- b) Complete notification to investors of the dangers of investing in prospectus exempt securities.
- c) Financial advice is NOT provided by the issuer or seller.
- d) Onus on the issuer and salespersons to be equally responsible for complete and true disclosure.
- e) IN short, protection of the investing PUBLIC is ALREADY well covered by NI45-106.

Our concerns for some of the proposed changes are as follows:

- 1) Requirement of issuer's salespersons to pass the Canadian Securities Course (CSC)

The CSC course is designed for individuals who want to become financial advisors, provide financial advice, and market a variety of products. Genesis and its sales staff are NOT interested in selling any investments other than those offered specifically by our company. The CSC course offers NO further protection to the investing public, as the content of the CSC course contains approximately three pages (out of many hundreds) on real estate items.

- 2) Requirement for every client to provide full disclosure of his/her personal financial details ("Know Your Client rules")

Since Genesis only sells ONE product to the sales person, and we are NOT trying to manage an individual's portfolio, we DO NOT want to know about the investor's personal financial affairs, as long as they are qualified to purchase our market exempt securities (which he or she declares on the subscription form). Also, clients would vehemently object to providing their personal financial details to someone who has NO need for them and CANNOT give them advice on their financial portfolio. This requirement will only drive clients away from investing since nearly ALL clients value their financial privacy. The requirements outlined in NI45-106 are quite clear; WE ARE NOT GIVING FINANCIAL ADVICE.

- 3) Carry substantial working capital, financial bonds, and insurance.

As ALL of our funds are held in Alberta lawyer's trust accounts until closing, Genesis itself does NOT have access to the capital invested until the securities transaction is closed (completed). As a public company, we already carry substantial (and disclosed) working capital, and are fully insured already for liability in our operations. The need to provide further financial bonds and insurance is unnecessary since NI 45-106 already provides for recourse against the securities issuer. Making sales people carry insurance will only deter the ability for Genesis to raise funds using the existing NI45-106 prospectus exemptions, as we have met with numerous Investment Dealers Association members who have their own agenda, and do not wish to sell prospectus exempt products. In fact, the owner of a substantial investment dealers association (IDA) firm in Calgary indicated he was interested only in promoting our stock (GDC-TSX) and not at all interested in our prospectus exempt offering (for \$25 million- which we subscribed to investors on our own in 2006).

- 4) Maintain adequate records for all transactions and file audited annual financial statements.

This is already something that our company has in place. In fact, as a public company, our individual projects are part of the annual corporate audit as VIEs (variable interest entities) , and are recorded as part of the consolidated balance sheet. As a public company and with new secondary liability rules for directors, we already take a great deal of care (internal compliance) on these offerings, but I don't think there is a need for even more rules, when the CURRENT ones are good ones, and need to be enforced.

- 5) Meet conduct standards similar to registered dealers. Maintain and monitor compliance systems to deal with proficiency, conduct, and financial viability.

Again, there is sufficient clout within NI-45-106 for securities regulators to enforce any breach of the regulations. In addition, as a public company we have a very high standard to uphold given the changes in recent regulatory climate.

While we are agreeable with registering salespeople, and conducting basic checks such as criminal and background checks, we feel that the new securities proposals of requiring courses to be taken which are irrelevant to the individual products being sold by our firm or through our subsidiary.

In summary, we are also interested in protecting the public, as we have been in business for more than 15 years, and have been a publicly trading company since 1998. The proposed new regulations in our opinion, will NOT further protect the public, but instead limit the growth of strong companies such as ourselves to contribute to the Canadian economy, and benefit the "national" brokerages and banks who in my opinion, are trying to limit the public's choice of products in the marketplace, in favour of their own products. Also, we noted that British Columbia is looking at opting out of this part of the program (requiring registration of representatives or firms selling prospectus exempt securities) because there was a concern about stymieing the flow of venture capital into that province.

Lastly, I am concerned about the poor job that the Alberta Securities Commission has done of informing vested stakeholders about these proceeding. I received information on the meeting on May 9, 2007 from Olympia Trust. Posting the information on a website and hoping people come to a meeting is NOT effective communication; however, I applaud the efforts made by the British Columbia Securities Commission to contact hundreds of individuals to inform them of the corresponding meeting in Vancouver. As an issuer of prospectus exempt securities through our subsidiaries, you would think that the Alberta Securities Commission could have conducted some sort of mass mailing to existing issuers – as we have been doing this since MI45-103 in 2002 nearly continuously over the past four to five years.

Thank you for your consideration of my comments. Please feel free to call me personally with any questions you may have.

Yours sincerely,

Sent by E-mail

Arthur Wong, P. Eng.
Vice Chairman, Vice President Investment Marketing
Genesis Land Development Corp.

cc. Olympia Trust – Craig Skauge, FMC – E. Chen
cc. Board of Directors, Genesis Land Development Corp.