

SQUIRREL INN INC.

(Also operating as Comfort Inn & Suites, Red Deer, Alberta)

Brad Gabrielson B.A., B. Comm., C.G.A., CFP
President

Suite 200, 4928 – 53 Avenue
Red Deer, Alberta T4N 5J9
Telephone: (403) 343-0911
Fax: (403) 346-2999

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To:

John Stevenson

Secretary
Ontario Securities Commission
19th Floor, Box 55, 20 Queen Street West
Toronto, Ontario M5H 3S8
Via e-mail: Jstevenson@osc.gov.on.ca

Anne-Marie Beaudoin

Directrice du secretariat
Autorité des marchés financiers
Tour de la Bourse 800, square Victoria C.P. 246, 22 étage
Montreal, Québec H4Z 1G3
Via e-mail: consultation-en-cours@lautorite.qc.ca

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés 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

Re: Proposal Contemplated by Proposal National Instrument 31-103 Registration

I recently raised some money using the OM exemption to build “Canada’s Most Energy Efficient Hotel” for Alberta’s 100th birthday year. The exempt market option was the route I had to take as traditional sources were not an option and I spent thousands of dollars seeking “alternative ” sources, which frankly was a waste of time and money.

Today this unique environmentally friendly structure utilizing solar power has brought great recognition and interest to the hotel, which would not have been possible without the exempt market securities option available in Alberta. It was an option for private investors who were fully secured to earn a decent return without stock market risk and fluctuations. Investors remember the money lost in the Tech Wreck, Enron, WorldCom, and Nortel to name a few and want another option besides the banks.

It would be a sad day if the exempt market option were taken away from private investors who are already protected by National Instrument 45-106. Existing legislation under NI-45-106 is already effective and only needs to be enforced. The only improvement that I would like to see is that it is funds are handled through a trust with a lawyer or trust company, which was the method I used.

Investors do not need legislation like NI- 31-103 that is being promoted by the IDA/MFDA as money grab and will only add more confusion to an already complex arena. In October 2006 in Calgary, the ASC was unable to point to any data or evidence that called for the implementation of NI-31-103 (Rule). The CSA also pointed out that the rule was drafted from the “stakeholders” who were the IDA and MFDA. One is left to wonder if the Rule is being promoted to solely benefit the IDA/MFDA and not private investors who regulators are there to protect.

The province of British Columbia is considering opting out of the exempt market dealer registration requirement, as it will have serious detrimental effect on the province’s venture capital raising sources. Alberta should follow he same path as B.C.

In conclusion I definitely feel Alberta does not require adoption of the exempt market registration requirements of NI-31-103.

Yours truly,

B. M. Gabrielson