

June 19, 2007

John Stevenson  
Secretary  
Ontario Securities Commission  
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Submitted to:  
British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Ontario Securities Commission

RE: Proposed National Instrument 31-103 Registration Requirements

Dear Sir/ Madame:

I am writing on behalf of Cooper Pacific(1994) Mortgage Investment Corporation, Cooper Pacific Mortgage Investment Corporation, and Cooper Pacific II Mortgage Investment Corporation, the first being the manager of the two mortgage investment corporations. We operate these companies from our offices in Victoria, British Columbia and the management company has been in business since 1994. The management company initially brokered mortgages and granted mortgages via syndication until 2001.

In 2001, Cooper Pacific Mortgage Investment Corporation was started as a first mortgage provider to developers and builders on Vancouver Island, and subsequently has diversified its lending to all of BC and Alberta. Like wise in 2002 we started Cooper Pacific II Mortgage Investment Corporation, to provide second mortgages to our clients. Cooper Pacific (1994) Mortgage Investment Corporation currently acts as the manager of both MIC's and brokers mortgages to other financial institutions.

Since moving to the mortgage investment corporation business model, we have written in excess of 167 million in first mortgages and 85 million in second mortgages, with no loss

of principle or interest to our investors. Our investors have enjoyed a rate of return since inception of 9.25% and 12.78% respectively for the two MICs. Investment into the two MICs is via offering memorandum and share subscription agreement using National Instrument 45-106.

**In simple terms, the new proposed regulations will greatly reduce the ability of our company to raise capital from investors, thus, reduce our ability to provide mortgages to developers and builders, which will result in fewer homes being built, and the corresponding economic impacts. The new regulations will not provide we believe any additional protection to our investors, than already exists under National Instrument 45-106, and may provide investors with a false sense of security due to the additional amount of information that we would have to collect about our investors.**

Existing National Instrument 45-106 is Already Effective

We do NOT see the need to change the existing NI 45-106, which allows private companies to use prospectus exempt securities. 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 issuers or sellers.
- 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 NI 45-106

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

- 1) Requirement of issuer's sales persons to pass 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. Cooper Pacific and our staff are not interested in selling other investments, other than those offered specifically by our companies. The CSC course contains limited amount of information on real estate and mortgage investments, and would provide no benefit to our investors. Our company's mortgage brokers are already regulated under the Mortgage Brokers Act of the various provinces we deal in. NI 45-106 already requires the purchaser to acknowledge that the salesman is not registered with securities regulatory authority and has no duty to tell me whether this investment is suitable for them.

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

Since Cooper Pacific sells only their own products, we are NOT trying to manage an individual's portfolio; we DO NOT want to know about investors' personal financial affairs, beyond them declaring that they are qualified to purchase our market exempt securities via the share subscription agreement. Investors will no doubt object providing personal financial information to someone who has no need for the information and cannot give them advice nor their financial affairs. This will only give investors a false sense of security and drive clients away from the exempt market securities to avoid this unnecessary disclosure.

3) Carry substantial working capital

Requiring the MIC's to carry high working capital, will negatively affect the return that we can have provide our investors. The work capital will be sitting in bank accounts earning minimal returns in comparison to the returns we can achieve from mortgage investments. The client is looking to maximize this return in relation to the risk he is willing to take; this will be counter productive to meeting the investors' goals.

4) Maintain adequate records and file audited annual financial statements.

We already maintains adequate records and under go a financial statement audit, which is filed with the various security regulators as part of the offering memorandum and Mortgage Brokers Act of BC.

5) Exempt Securities overhauled less than two years ago

NI 45-106 was only over hauled less than two years ago, seems to be completely overlooked in the process of looking at the registration requirements for this sector or the securities offering. The revised NI 45-106, is effective and provides a balance between protecting investors and providing a workable method of raising capital.

6) Need for account statements

The requirements for statements should also, allow for this information to be given to the client via access to a secure website. Our company has invested a great deal of resources to providing our investors an ongoing method of tracking their investments, with out the need to providing the investor with unwanted in many cases hard copy of the statement. Certainly the client can get a hard copy of statement on a monthly basis, but many opt for the convenient and timely access of our website.

Lack of Input from Exempt Securities Markets

Our firm being active in the exempt market securities raising funds in four provinces did not receive any notice from the various securities commission until March 2007, that any initiatives were under way to reform the registration process. We feel it imperative that all sectors of the securities market place should have had been informed and made aware of the process that has been under way for more than two years. So that we could have more fully participated in the process as it affects the exempt market securities.

In conclusion, we believe that no change should be made to how exempt market securities regulated by NI 45-106 raise capital and fully support BC's position to opt out these portions of the Proposed National Instrument 31-103 Registration Requirements.

Yours Sincerely,

Kevin Norman, CA  
Chief Financial Officer  
Cooper Pacific (1994) Mortgage Investment Corporation