

June 25, 2007

**To:** *Canadian Securities Administrators:*

**British Columbia Securities Commission**

Douglas M. Hyndman, Chair  
701 West Georgia Street  
P.O. Box 10142, Pacific Centre, Vancouver, BC, V7Y 1L2

**Honourable Carole Taylor**

Minister of Finance  
PO Box 9048, STN PROV GOVT, Victoria, BC, V8W 9E2

**Ontario Securities Commission**

John Stevenson, Secretary  
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**Autorite des marches financier Quebec**

Anne-Marie Beaudoin, Directrice du secretariat,  
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**From: Sean Linstead**

Marketing Representative  
Genesis Limited Partnerships on behalf of  
Genesis Land Developments Corp

**Re: National Instrument 31-103, Registered Reform Project**

Sirs,

It has come to my attention of the intention of the CSA to regulate and register all currently exempt investment products issuers. I and others in my organization, Genesis Land Development Corp, promote exempt limited partnerships which Genesis has successfully done for several years. Many make their income through such work.

Though the CSA goal of the RRP may be admirable, the effect of the RRP will be to limit and unnecessarily place irrelevant burdensome controls on what has been a well managed unique investment vehicle for the public for years.

The RRP increases the larger players in the securities & stock industry SROs reach into real estate investments, opportunities that operate quite differently and which are currently well regulated by existing laws and regulations in every province.

The Securities industries registrants and their national trade organizations, the IDA (Investment Dealers Association) and MFDA (Mutual Fund Dealers Association) merely are expanding their turf without, I believe, any sincere attempt to accurately define any "issue" of Non-registered exempt issuers or the need for additional registration of issuers. Whether there is a need for such new oversight by a competing self regulating organizations is questionable. Successfully operating exempt issuers are more of a competition for the aforementioned SROs than any concern to the investing public.

The CSA should remain vigilant and balanced for the public good and for the investment industry's good as a whole. I strongly believe the offerings of exempt issuers, such as Genesis Land Development Corp., should not fall under the IDA or MFDA jurisdiction.

The CSA is obliged to consider the input of affected parties rather than force, without consultation new devastating restrictions on an well functioning industry. Moreover, committee representation by the most affected parties, namely exempt issuers, should be required before coming to any decision. Especially when the committee making a recommendation is perceived and, in fact is, offering competing investment products.

It appears there has been no reasonable factual basis or incidents for this drastic change. There has been no public uproar or call for such registration. No widespread public reports of investors being abused or misled. Where are the news reports or industry reports that justify such a further extension of the Securities industries bodies, the IDA and MFDA, authority over the real estate products Genesis Land Development Corp. offers?

Rules exist that are adequate to deal with any breaches of contract. More distraction is not the answer, especially not administration by competing SRO bodies whose mission is not compatible with exempt issues goals.

Notably BC is wisely looking at opting out of such expansion of regulations. The principle approach is how the BC government seems to have been operating for the past number of years in all aspects of the economy, not adding burdensome forms and barriers to the economy and raising venture capital. I encourage the CSA, the OSC and ASC to review and follow BC's entrepreneurial example.

Protecting the public from un reputable salesperson and questionable products and schemes is with no question something I and Genesis Land Development Corp. wholeheartedly supports. Requiring some sort of Licensing of reps is something that I do not object to, but, as the proposed RRP stands, it seems to miss the whole point. A more appropriate system should be studied and proposed than the on being considered. A relevant training course for licensing would even be welcome.

In Genesis Land Developments' case, and many exempt issuers, do not hold any investors cash on hand and the investors in fact hold the actual "title" to the product/land invested in directly, there is not need for such onerous financial institution bonding as securities and brokers need. The effect on smaller, focused, single product firms would be to put them out of business. Clearly our businesses operate in a different realm than the large securities players and should remain exempt from rules that are more appropriate for them.

Exempt issuers and their myriad of products and investments, all unique and innovative, hold a special place in the development of the economy and the raising of capital in this country and should be treated as such. Careful thought must be given to all the various and diverse players that are exempt. After all, they were exempted for years for a reason. The RRP proposal, as it stands, simply does not provide and effective remedy to the so called concerns. In fact the RRP lumps the exempt issuers into dealing with irrelevant SRO's and their irrelevant regulations.

It is in the publics interest to have choices of investments products and in the CSA's interest to see that these choices remain viable for the public to choose from. I urge the CSA to reconsider its approach.

Sincerely,

Sean Linstead  
Marketing Representative  
Genesis Limited Partnerships on behalf of  
Genesis Land Development Corp.

