

I attended the ASC seminar in Edmonton regarding the proposed changes to the sale of Market Exempt securities and would like to provide my feedback on the seminar and information provided. My comments are provided in point form below:

1. Requirement of CSC course completion to be able to sell Market exempt securities: I am very happy with this change, while I do not feel that the CSC course will give enough baseline knowledge to some people selling these instruments, I believe this is a very good starting point. It scares me when I think of the level of knowledge that some agents selling these extremely complicated products have. I have met men and women who do not have the basic understanding of how a mutual fund or stock works, never mind having them explain an extremely complicated land development deal or bond. I have high hopes that a course directed towards this field will also be required in future in order to solicit or refer these products.

2. Referral agreements & disclosure to ASC and MFDA or IDA. I think this is worthwhile, however, I have not found many dealers in MFDA or IDA that support these products and am worried that these products will still not be supported in the future regardless of if they are regulated or not. I would like to see a more regulatory environment so that I can offer my clients all products that suit them not just the products that the dealer is willing to look at.

3. Handling of client funds: I believe that there is a huge discrepancy of what "handling of client funds" is. If a firm is depositing cheques and holding funds on behalf of clients then I truly believe that they are in the business of handling client funds/ assets. There are some agents; however, that only transfer 3rd party cheques to other companies and have no access to the funds or are not able to cash the cheques. While I do feel that there still is some transit risk, ie. cheque gets lost and the project closes, I don't believe that the risk is as significant as handling client assets or funds and I think there needs to be a differentiation in these two things and the requirements for agents working in the 2 different capacities.

4. Background checks and registration of agents: Thank God!! As an investor, I think that anyone selling these types of investments should be registered. You wouldn't go to a doctor who was not licensed or a lawyer who had not passed the Bar exam so why is it expected that anyone can sell these products. That goes back to my first comment about needing a base-line of education for all agents selling / referring these products.

Thank you for taking the time to review my comments, while I am very happy about some of the changes coming I really hope that time is taken to clarify "Handling of client funds/ assets" as I do believe this will be a huge key to determining who will have to meet the Insurance / bond requirements. Feel free to contact me if you have any questions on my comments.

Best Regards,  
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