

May 14, 2008

**Attn: Mr. John Stevenson, Secretary, Ontario Securities Commission
The Honourable Iris Evans, Minister of Finance, Alberta**

Re: Proposed NI 31-103

Dear Mr. Stevenson and Ms. Evans,

I am compelled to write to you to express my disapproval of the changes to securities policies as currently structured under the proposed NI 31-103.

As an investor, I feel that I should have the freedom to choose an investment vehicle for my money. Whether I choose to invest in mutual funds, stocks, real estate, or just keep my money under my mattress, that should not be at all influenced by any so-called expert who may claim they can help protect me as an investor, when in fact they have absolutely no control over any circumstances that impact the value of my investments. I am referring to the proposed requirement to complete the Know Your Client forms prior to “allowing” me to invest in whatever I choose. In a free and democratic society, nobody should be able to tell me whether or not I am “allowed” to invest in anything, no matter the level of risk. Investors must own the responsibility of educating themselves on any investment, and nothing should stand in the way of those who do so. Frankly, those who do not educate themselves deserve to experience the consequences. It’s my money – what I do with it is my business! I also take issue with the fact that the Know Your Client forms require a lot of private personal information I should not have to divulge to any investment salesperson.

As an exempt securities salesperson in the real estate industry, I see absolutely no need for the Know Your Client forms. Investors are clearly and literally told that they could **lose all the money they invest**. This is true of any investment (remember Bre-X and the late 90’s collapse of the dot-coms?), but it is not so boldly stated under large **WARNING** labels in any other investment aside from exempt securities. In my opinion, there is no possible way an investor could miss these warnings or misunderstand the risks as they are spelled out in detail, and I have personally experienced many investors walking away after being informed of the risks.

With respect to the proposed requirement for exempt securities salespersons to take the Canadian Securities Course, I ask, what is the relevance? In my industry I will never do anything but conduct real estate transactions, so where is the value in preparing myself to sell other forms of investment? If professional development is going to be required – and I think it should be – then it should be relevant to the products we sell. You don’t take a carpentry course if you want to be an auto mechanic, so why should I take the CSC if I want to sell real estate? I would be far better off taking a real estate course.

Finally, I find it extremely suspicious that the committee proposing these policy changes is comprised of members of competing industries, with no representation whatsoever from the exempt securities industry. How can those who represent completely different investment products, which compete with exempt securities products, be allowed to unilaterally propose policy changes that have such a tremendous impact on the exempt securities industry? I wonder what the Competition Bureau would think of how the proposed policy changes will create substantial barriers to exempt securities investment choices for consumers, and, subsequently, severely limit the competition to those represented on the committee, such as the Mutual Fund Dealers Association.

With all due respect, the proposed policy and regulation changes under NI 31-103 appear nothing more than a method of quashing the exempt securities industry in order that the traditional investment industry may regain the virtual monopoly it enjoyed prior to the recent poor performance of traditional investments. This entire process needs to restart from square one with advisory representation from the exempt securities industry – the people who are truly knowledgeable and can suggest more appropriate measures to keep investors informed about the risks and the benefits of exempt securities, assuming investor education and protection is indeed the desired objective.

Thank you for your consideration.

Sincerely,

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