

Mr. Stevenson. With all due respect.

I have been following with interest the proposed changes to the Exempt Market Dealers.

Just a little background on myself. I have completed the CSC and was a Registered Representative licensed under the IDA and MFDA for 10 years. I know all about regulations and regulators.

Firstly, on behalf of all investors, thank god we have Exempt Market Dealers that provide sound investment ideas to the public. No longer do investors have to be force fed Mutual Funds from their advisors. They were never created to be a good investment, but simply a product to be offered by the financial institutions.

I am a bit confused as to your interest in regulating an industry that has absolutely no connection to the Securities industry. You propose that we should all have the CSC. The information and knowledge gained by taking the CSC would have no relevance in the Exempt Market arena and be of no benefit to anyone.

Secondly, under NI 45-106, this form is very misleading in two areas. One, the part about I could lose all my money. We do not ever touch the money, it is always in trust. The products we provide investors can never be worthless under any circumstance. We sell real estate investments. Real Estate always has value. Secondly, the securities are viewed as "high risk" . We are selling real estate and the securities simply represent the investors pro-rata share in the corporation that owns the title to the real estate. Maybe if we called these securities Exempt Market Ownership Shares, it would send this issue to where it belongs. I can certainly see using this type of form for the securities industry but it has absolutely no relevance to what we provide.

Grover Cleveland, the 22nd President of the United States told all his friends, " Always buy real estate close to a growing urban centre. There is not a safer investment anywhere". This is what the Exempt Market is all about and doesn't require any regulatory body to oversee the investment.

Let me ask you an important question. Do you know something more than British Columbia knows when they realized that the Exempt Market doesn't have any need to be fixed and decided to leave it alone? They are not aware of any problems, are you?

Let me state the obvious. You are being pressured by the investment industry to regulate the Exempt Market dealers for just one reason. The IDA and MFDA members are getting tired of watching the smart money migrate out of their accounts to the fine products being offered by the Exempt Market dealers. They are getting tired of being restricted from offering these "investments of choice" to their client base. Of course they want us regulated.

These changes that are being proposed are frivolous and of no real benefit to anyone.

Please, don't ruin a good thing by trying to apply unneeded regulations.

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