

Dear Mr. Stevenson:

I am writing to voice my serious concern about the proposed change in Exempt Security change in Alberta.

Please let me express my points of view from being an investor as well as an agent who sells this kind of products.

As an investor, I believe 1) It is no other people's business on how to use my money. I do not want government to regulate that I must disclose all my financial issues to someone before I can invest my money. It is really none of government's business. The government has reached far enough into people's daily life, I do not want to see even bigger government to set more barrier to stop us getting financial security on our own; 2) As an investor, I am buying real estate backed products either in land shares or commercial property. It is far more secure than buying any other products including banks' mutual funds. Are there any issues or concerns which prompt the government to take this action? If there are, the government should look into the rules and regulations in controlling those companies which issue these products or securities. The government should make sure the company should have enough qualifications or assets to absorb some risk if there was any risk arising from the investment. This will stop any company which has ill intention and /or to pass all risks on to investors and they can walk clear without any loss if there is anything bad happening. I believe this is the right direction to protect small investors from being ripped off by the big sharks.

As an agent, I can not see the new proposed rules will benefit either side - client and agent. 1) As an agent, I do not function as financial advisor, why do I have to ask the client to disclose all their financial matters to me before they can invest? A letter of risk acknowledgement is sufficient. Government may have a role to educate people, not to make people. If anyone wants to invest 100s of thousands borrowed or his/her own money to buy an investment property, they are not required to disclose the info. to anyone other than banks, why do they have to disclose the info. to us if the client wants to invest 10s of thousands to buy investment products? Do you have any facts or sound complaints to indicate the investors have been misled by selling agents and got investors in financial troubles? If there was any such cases happening, it would be the company which issues those kinds of products, not the agents who sell are responsible! In my opinion, selling investment products to people is no difference from selling a car to a customer by a dealer. It is the manufacturer which provides the warranty and service to the customers. It has little to do with the dealer how she or he sells a car. If the government really wants to protect small investors, it should set the rules to make the investment company accountable! On top of that, the government already has many more rules to protect customers who buy investment products than buying a car. What is the need for government to further regulate in this field? Leave the people alone and let them make the decision they should make and let people make the right choice whatever is good to them. People are not that stupid as the government thinks they are! Thank you for listening.

Regards!

Michael Yu, an Investor and  
an agent for Redev. Properties