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INC.

British Columbia Securities Commission

Alberta Securities Commission

Saskatchewan Financial Services Commission

Manitoba Securities Commission

Ontario Securities Commission

Autorite des marches financiers

New Brunswick Securities Commission

Registrar of Securities, Prince Edward Island

Nova Scotia Securities Commission

Superintendent of Securities, Newfoundland and Labrador

Registrar of Securities, Northwest Territories

Registrar of Securities, Yukon Territory

Registrar of Securities, Nunavut

May 27, 2008

Dear Committee Members,

I am submitting my second letter of comments concerning the proposed National Instrument 31-103. The following page will outline my dissertation on the topic.

I appreciate your efforts in investing the time to read and understand my point of view.

Sincerely,

Jeff Lund
President – APFI

First of all, I applaud the fact that you appear to have carefully considered many of the valid points made by my peers in the exempt segment of the capital markets. Since the initial proposal, several of the senseless clauses have been eliminated or modified.

At the symposium I attended recently at the ASC, I am disturbed to observe that 2 ridiculous clauses remain and two debatable ones also remain.

First of all, why is quarterly reporting required from a finder like my business? I understand the need perhaps pertaining to issuers whom we all want to be solvent. Truly, however, what right should the OSC, for example, have to know how my company is doing financially? Is it a morbid curiosity to quantify how much capital we are diverting away from banks? I brought this point up at the seminar and the ASC responded appropriately by saying “we don’t know”!

Secondly, the issue of “transit liability insurance” remains in the proposal. I can understand the surety bonds or insurance requirements for those who are a deposit taking institution or whom maintain trust accounts and receive cheques from clients made out to those accounts...but for someone like me who simply receives a cheque that is made out to the issuer and delivers it IN PERSON without fail to the issuers; no one can convince me of this “need”.

Thirdly, the issue of “KYC” has also remained in the proposal. With the stringent and diabolical warning page inclusive of every OM subscription agreement, is that not enough to tell people to consider the risk carefully? Is it not redundant to obtain the KYC as well as their signature on the warning page? I can appreciate where others in exempt market businesses would have a difficult time obtaining this information and maintaining it over the long-term as these are usually complementary positions and not core positions for most investing participants. Many high net worth people do not readily share this information with anyone.

Finally, an interesting point was raised at the ASC symposium which I will reiterate here. Having a standard of education is an admirable idea. There should be a new course structured around real estate exempt offerings which focus on them as a security. Please do not deceive the public consumers into believing that someone who has passed the generic securities course is better qualified to “advise” them on the appropriateness of the opportunity placed before them. A few pages do not an expert make. Take the time to do this right.

Thank you.