

John Stevenson  
Ontario Securities Commission  
20 Queen Street West, Suite 1903  
Toronto ON M5H 3S8

VIA EMAIL

The Honourable Iris Evans  
Minister of Finance, Province of Alberta

VIA EMAIL

Dear Mr Stevenson,

I am writing to state my concerns regarding the proposed NI 31-103 changes.

While it can be clearly argued that standards and proficiency requirements are necessary for the protection of Investors in Capital Markets, it can also be argued that excessive and irrelevant regulations can have a significant 'stifling' effect on market efficiencies.

I am in no way opposing Educational Standards for sales representatives: I do however oppose a requirement that the Canadian Securities Course be a requirement for salespeople simply because it is the closest fit. I suggest that an exam which is specifically designed for this sector of the capital markets will ultimately provide the least disruption for investors. I and many of my colleagues take what we do very seriously. For the protection of my investors I am involved for the duration of the investment. Relevant Industry knowledge is always welcomed. I urge the Regulators to at least delay implementation of this requirement until a relevant exam has been developed.

I also questions the applicability of the 'Know Your Client' (KYC) form as it creates a conflict for many investors. For example, with an Offering Memorandum it is conceivable that Canada Savings Bonds could be sold to investors. In that scenario why would it be necessary for an investor, who states in the KYC form that they have low risk tolerance, to sign the Risk Acknowledgement form stating that they are purchasing a risky investment? Granted, there are risky investment choices with all types of offerings. However, does any such conflict occur when using other types of Offerings? I continue to offer what I firmly believe to be 'low risk' investments in spite of the requirement for my clients to sign the Risk Acknowledgement form. A written response to how you suggest conservative investors proceed with KYCs and Risk Acknowledgements is requested.

I also oppose the need for Audited Financial Statements to be submitted to the Regulators based upon a notion that firms are handling Investors' cash. It was stated at the recent public consultations in Calgary that if I even pick up Certified Funds payable to a Trustee there would be the requirement for Audited Financial statements. While there seemed to be a softening of this position by the Regulators, for the record I stand opposed to this requirement. For by the same reasoning then a courier company should need to submit Audited Financial Statements if they are

performing the same function. I have not been provided with any evidence that fraud and/or forgery has been an issue.

A structure such as the proposed RRP will cause many excellent companies to withdraw their services. I have several satisfied clients who have, and will testify to their satisfaction with both the current regulatory regime and the offerings available to them. I urge you to implement changes only when truly necessary, and then only implement relevant changes that will truly help the Investing Public without crippling the industry.

Knowing that BC has decided not to follow this proposed regulatory route is very logical under the circumstances.

Rather than changing the existing regulatory framework, it appears that efforts could be better spent in order to allow greater liquidity for exempt offerings. My understanding is that an investor in an exempt offering can only 'resell' their investment to accredited investors or any other investor who has subscribed for the same offering. Does it not make sense to lessen these resale restrictions by allowing sales to any investor who would have been eligible to subscribe for a given investment originally?

Respectfully Yours,

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