

To: Ontario Securities Commission

Gentlemen

We are writing to express our concern and dismay over the proposed changes to the BC Securities Act which would place limits on investments allowed in Mortgage Investment Corporations.

We are advised that, if the proposed changes go into effect, limits would be placed on annual investment and re-investment amounts from investors who don't qualify as accredited investors, the intent being to protect such investors from high risk, speculative, investment opportunities, such as mining exploration, high risk real estate, or other similar ventures.

While the additional regulation on high risk, speculative investments may have some merit, the fact is the Mortgage Investment Corporations are neither high risk, nor speculative. The investments in those companies are secured primarily by first mortgages on real property located in the British Columbia, that have been funded, on a very conservative loan to value basis, only after careful scrutiny by experienced, cautious staff, who live in the Community. If a mortgage becomes non-performing, the MIC is able to take steps to obtain title to the underlying property, normally with considerable equity in that property.

My wife and I have been investing our RRSP's in two local Mortgage Investment Corporations- Interior Equities Corp, and Paradigm Mortgage for many years. Our investments have

provided reasonable returns every year that we have held them , with the MIC management able to produce profits regardless of the local real estate market conditions.

We have recently retired, and are now drawing cash from these investments through our RRIF's. It is vital that these companies continue to be able to attract new investors, in order to maintain their liquidity, and meet their obligations to us and other seniors who count on them for our monthly incomes.

To place restrictions on the ability of Mortgage Investment Companies to raise new capital to fund their ongoing operations, will dramatically impact on the liquidity of those companies, with dire consequences to retirees who are now living off those funds.

Another proposed change in regulation would see a requirement that investment in MIC's must be through a third party. To force us to deal through a broker or other intermediary for these investments, rather than directly through MIC staff, whom we know personally, and have dealt with for years, is ludicrous, and would do nothing but complicate, and add unnecessary expense to the investment process.

Please take all possible steps with your government colleagues to ensure that the retirement funding of the hundreds of Okanagan MIC shareholders is protected, by making sure that Mortgage Investment Corporations are not included in the scope of the proposed, new changes to the Securities Act.

Sincerely,

Geoff and Judith Sutherland
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