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[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
22nd Floor  
Toronto, Ontario M5H 3S8

**Re: CSA Proposed Amendments Relating to the Offering Memorandum Exemption**

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Dear Madams:

I am writing to comment on the proposed amendments to NI 45-106, in particular the proposed annual investment limits for non-accredited investors.

While I appreciate the intent of these proposed amendments to protect the interests of investors, I strongly disagree with this type of limitation. Traditional options available to investors such as the public markets are in no way adequate to enable a person to accumulate a sufficient amount for retirement. For example the risk vs return balance for equity investments in public markets is, in my opinion, not appropriate for an investor within the last 10 years earning years. In addition, traditional bond markets are unattractive with current interest rates. The bottom line, we need to find more creative and less restrictive solutions to addressing the issues associated with the exempt market. My own experience is that there definitely is risk associated with the exempt market but that overall my returns over the long term have been far better than when working with firms such as a large bank in the public markets. In that case, the large bank made a greater return on my capital over a 20+ year period than I did through their high fees and poor service.

One suggestion that comes to mind would be to work with NEMA or other organization to establish an “exempt market investor course”. The other is to develop policies (legislation) mandating that all investment advisers including Exempt Market Dealers must work (fiduciary duty) for the interests of the investors before their own. Many of the exempt firms that I invest in have a policy stated in the Offering Memorandum that returns for their investors receive first priority before the firm’s management realizes a profit (investors get paid first). This suggested legislation might prevent some of the issues typical Canadian investors experience when working with firms such as large banks and other. One of the lessons I have learned in the exempt market is the value of working with an EMD firm that follows a rigorous due diligence, screening and monitoring process for their product offerings to reduce (not eliminate) risk.

The bottom line is I do not wish to have government policy ultimately decide where and how I should invest their money. It is a highly personal decision based not only on my income and net worth, but my own study, risk tolerance, goals and preferences.

This submission is being made on my own behalf.

If you would like further elaboration on my comments, please feel free to contact me at **[r.farquharson@ieee.org](mailto:r.farquharson@ieee.org)**.

Regards,

A handwritten signature in black ink, appearing to read 'R Farquharson', with a long horizontal flourish extending to the right.

Ronald Farquharson

CC:

Honourable Doug Horner  
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