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May 28, 2012

Robert Day  
Manager, Business Planning  
Ontario Securities Commission  
20 Queen Street West  
Suite 1900, Box 55  
Toronto, Ontario M5H 3S8

Sent via Email: [rday@osc.gov.on.ca](mailto:rday@osc.gov.on.ca)  
Cc: The Honourable Dwight Duncan  
Minister of Finance [financecommunications.fin@ontario.ca](mailto:financecommunications.fin@ontario.ca)

Dear Mr. Day:

**Re: Request for comments regarding statement of priorities**

I am writing in response to your request for comments and specific advice on the proposed objectives for the fiscal year ending March 31, 2013.

My feedback focuses the main goal you have laid out, “consider alternate capital raising exemptions”.

The current exemption of accredited investors alienates 98% of the Ontario investors and it is not fair that the remainder of the population do not have the same opportunity to invest in non-prospectus investments. The \$150,000 exemption clearly exposes too much risk as it puts pressure on a non-accredited investor to put ‘all their eggs in 1 basket’.

As an exempt market dealer with clientele across the country, I have witnessed how the absence of the Offering Memorandum exemption in Ontario has stunted Canada’s largest capital market. The increasingly isolated, hyper-regulatory atmosphere in Ontario threatens the competitiveness and prosperity of the province itself. Small businesses (issuers) and Exempt Market Dealers have a much smaller pool – an estimated mere two percent of Ontario’s population – from which to attract crucial capital. At the same time, residents of Ontario have far fewer options to grow and diversify their assets beyond the options provided by the banks.

I recommend that you consider the adoption of the OM exemption. It is not only timely, because of the lack of critical capital available to businesses, but also sensible for investor protection. It is Canada’s “alternate capital raising exemption” that supports your desired to heighten disclosure standards.

I recommend that the adoption of the Offering Memorandum exemption be identified as a priority for the fiscal year.

I would also recommend looking at increased offering disclosure requirements and also holding the issuers more accountable when they have failed to live up to the commitments outlined in the offering.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Zurfluh", is written over a light blue horizontal line.

Darvin Zurfluh CFP, RFC, FMA, FCSI  
Director  
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*Working with you to reach the height of financial success*