

31 May 31, 2012

Robert Day  
Manager, Business Planning  
Ontario Securities Commission  
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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 on two of the five regulatory goals you have laid out, namely your aim to “consider alternate capital raising exemptions” and your desire to “help investors get the necessary information to enable them to make better investment decisions by applying high standards of disclosure through robust prospectus and continuous disclosure reviews.”

As an Ontario-based exempt market dealer with clientele across the country, I have witnessed how the absence of the Offering Memorandum exemption in Ontario has stymied 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.

Logic dictates 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 an obvious “alternate capital raising exemption” that supports your desired to heighten disclosure standards. What reasonable stakeholder would reject the notion of fostering an efficient capital market while championing investor protection by simply recognizing an exemption that has already proven effective in all other provinces across Canada?

I recommend that the adoption of the Offering Memorandum exemption be identified as a priority for the fiscal year. At minimum, the final published Statement of Priorities should include a detailed list of capital raising exemptions under consideration.

Sincerely,

David Walters

Ensign Capital Inc.