

Dear Mr. Stevenson,

I am writing this letter to protest several of the proposed changes in the Canadian Security Commission as pertaining to sales agents of Exempt Market Securities in Alberta.

I am not a financial planner and most clients are reluctant to give me any more information about their financial status than is necessary for the purchase of the Exempt Market Security. The Risk Tolerance, it is stated clearly in the NI 45-106/Offering Memorandums and the Schedule B signed with each sale. I do not see the merits of a KYC. These land investments are secured against the value of the land which is in great contrast to mutual funds which for the most part are not secured at all. I have first hand experience with the very poor returns that my mutual fund investor advised me on over the past 5 years. There is no real evidence to suggest that we have a problem with exempt Market Securities in Canada with the current legislation.

As for writing an exam that will prepare me to sell mutual funds or to assist me in providing advice to a client on his portfolio, but has very little significance for Exempt Market Securities, I fail to see the value in it for my particular vocation. I am willing to take an exam that clearly is related to the business of Exempt Market Securities. I am not accepting any cash payments or the transfer of any assets for which I will have any direct control over. All payments are made to "lawyers in trust" for the various companies or they are transfers of registered money to Olympia Trust.

I understand that the Alberta government wishes to attract more private development in the province and changes to the act would severely handicap that opportunity because of the increased costs of doing business. If Alberta wishes to continue the high rate of development it currently enjoys, it must acknowledge the value of Exempt Market Security Business. *Small town Alberta* and rural areas are crying for developers to assist with providing the services necessary to develop new residential and commercial lots to meet the current growth requirements. Syndicated Land Developers are a very necessary part of the economy of this province, providing millions of dollars from private investors which would otherwise have to come from large corporations or government coffers. Changing the legislation would make these developments appear to be extremely risky when in fact there a measure of protection by the securing of the investment against the value of the land. This change is not only detrimental to the economy but also is very restrictive to the Eligible Investor, making it very difficult for the average person to participate in the Alberta Advantage.

It is my sincere hope that you will consider these remarks and strike these areas from the proposed changes.

Yours truly,
Simone Carmel
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