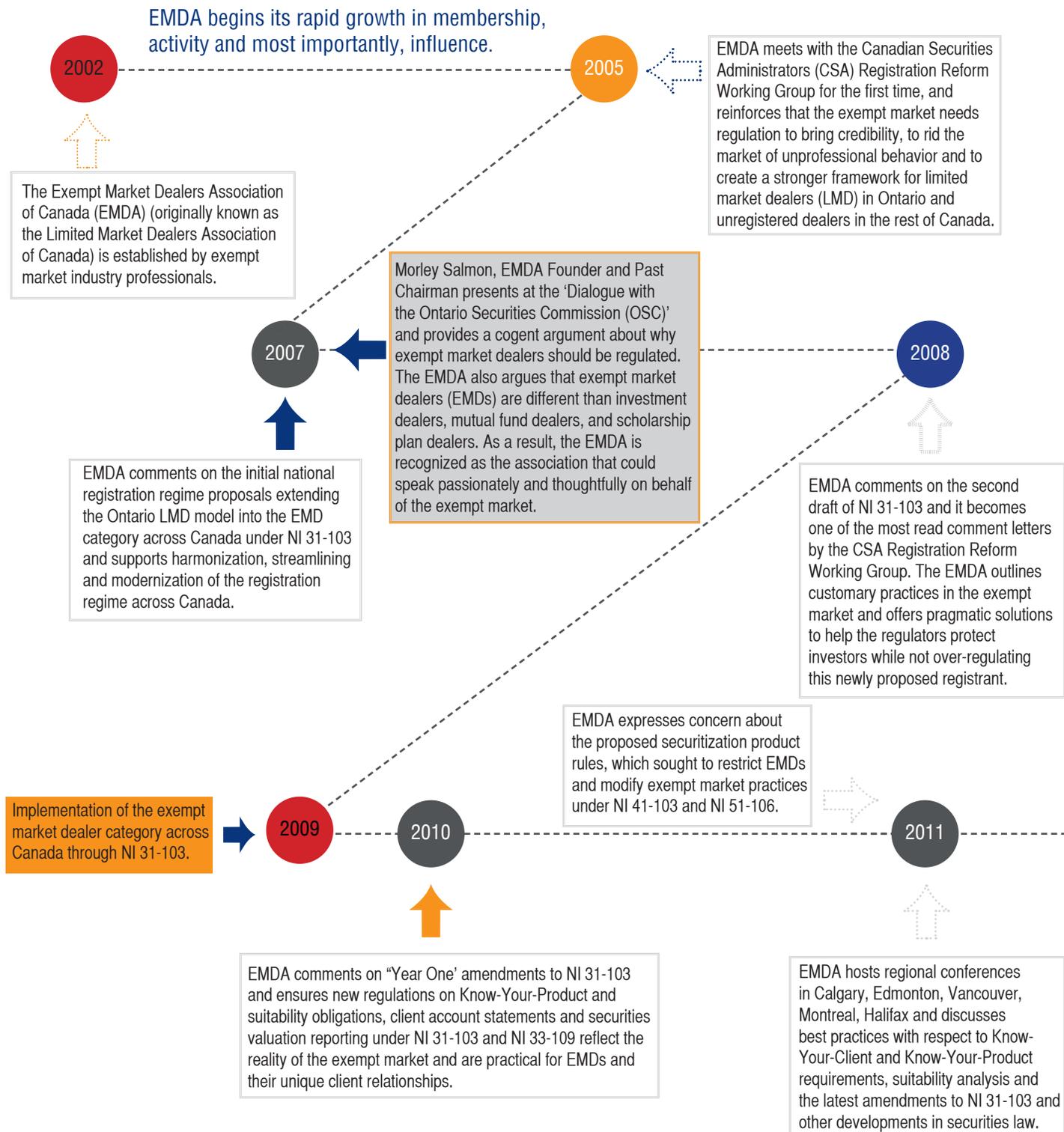




ADVANCING Private Capital Markets across Canada





EMDA's EFFORTS TO PUT THE OM EXEMPTION ON THE AGENDA IN ONTARIO

EMDA Chairman is appointed to the OSC's Exempt Market Advisory Committee. EMDA continues to advocate for a form of OM in Ontario to address the financing/prospectus exemption gap in the province. The EMDA advocates that there is a need for a new prospectus exemption between the Private Issuer exemption and Accredited Investor exemption in Ontario to help stimulate capital formation.

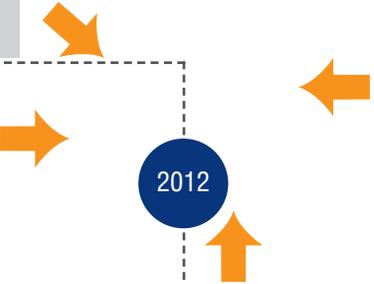
First EMDA Exempt Market Conference Series in Montreal and Toronto. Senior regulators from across Canada attend this event. Major discussion topics include: introduction of OM exemption in Ontario and harmonization of the OM exemption across Canada.



EMDA has taken its capital raising advocacy message to securities regulators across Canada through numerous public and private advocacy meetings on dealer and issuer matters in Vancouver, Calgary, Edmonton, Toronto, Montreal, Halifax, and Fredericton.

EMDA hosts Town Hall meetings in Vancouver, Calgary and Halifax in response to CSA Review of Accredited Investor and Minimum Amount exemptions under NI 45-106. The sole focus is on Ontario adopting the OM exemption and on hearing views from the industry on how changes could impact businesses in other jurisdictions in Canada.

2012



In considering certain deficiencies in the minimum amount and accredited investor exemptions, the EMDA 'changes the conversation' by almost exclusively focusing on the need for adoption the OM exemption in Ontario. The EMDA proposes a new 'Eligible Investor' form of OM exemption under section 2.9 NI 45-106 and requires: 1) the use of a registered dealer who is accountable for KYC, KYP and suitability determinations (because these obligations are the core principles of investor protection established under NI 31-103); and 2) the public postings of OMs that will provide greater transparency to the marketplace, increase compliance with the prescribed disclosure and over time improve the quality of OMs. This EMDA's proposal is outlined in its comment letter in connection with CSA Staff Consultation Note 45-401.

EMDA Executive Director is appointed to the OSC's Registrant Advisory Committee. This appointment demonstrates the EMDA's ability to influence change and its leading role as the national voice of the exempt market. The regulators are now calling '2012 the year of the exempt market'.

EMDA commits to overhauling the core educational priorities in the exempt market and signs agreement with IFSE to update, revise and rewrite the Exempt Market Products course for all EMD dealing representatives and CCO's.

2013

EMDA comments on the OSC's Statement of Priorities and advocates that the OSC's #1 priority for 2013-2014 should be adopting a form of OM exemption in Ontario.

EMDA continues advocating for harmonization, streamlining and modernizing of the exemption regime and once again proposes a harmonized OM exemption referred as the 'Eligible Investor Exemption', as a potential nationalized approach to the OM exemption. EMDA emphasizes in its comments on the OSC Staff Consultation Paper NI 45-710 regarding the New Capital Raising Prospectus Exemptions that OM Exemption in Ontario is more important than proposed Crowdfunding exemption and should be the highest priority for the OSC.

Second Annual EMDA Exempt Market Conference Series where the OSC Chair Howard Wetston outlines a regulatory vision for the exempt market. The OSC Chair discusses the challenges for small and medium-sized companies in raising capital, and the integral part the exempt market plays in the wider capital markets. The OSC Chair states that the OSC is examining the current rules to ensure these allow for efficient access to capital for issuers, increased investment opportunities for investors and, above all, appropriate protection to investors. He also discusses the work by the CSA members to harmonize exemptions to the prospectus exemption to the extent possible, and the review by the OSC into equity crowdfunding.

The EMDA's work in leading change and developing the exempt market in Canada is just beginning.

Time has come for the OM exemption in Ontario

