

July 4, 2013

Shirley P. Lee
Director, Policy and Market Regulation
Nova Scotia Securities Commission
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Dear Sirs/Mesdames:

Re: Notice and Request for Comment – Proposed Rule 45-501 and Proposed Companion Policy 45-501CP – Statutory Liability for Misrepresentations in an Offering Memorandum under Certain Exemptions from the Prospectus Requirement (the “Proposed Rule”)

The Canadian Advocacy Council¹ for Canadian CFA Institute² Societies (the CAC) appreciates the opportunity to comment on the Proposed Rule.

As stated in the Notice and Request for Comments, there is currently no uniformity across Canada with respect to when statutory rights of action will apply in the event an offering memorandum contains a misrepresentation.

The CAC believes in the importance of harmonizing regulations that impact investor protection. To that end, we support the intent behind the Proposed Rule, which we understand is to better match the circumstances in which the statutory rights of action will apply to those of other jurisdictions. We thus agree with the proposals to provide that the rights will apply only with respect to the specified list of prospectus exemptions, and not

¹The CAC represents the 13,000 Canadian members of CFA Institute and its 12 Member Societies across Canada. The CAC membership includes portfolio managers, analysts and other investment professionals in Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. See the CAC's website at <http://www.cfasociety.org/cac>. Our Code of Ethics and Standards of Professional Conduct can be found at <http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>.

² CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has more than 113,000 members in 140 countries and territories, including 102,000 CFA charterholders, and 137 member societies. For more information, visit <http://www.cfainstitute.org/>.

with respect to the use of an offering memorandum with any prospectus exemption as is currently the case and which has broader application than elsewhere in Canada.

We believe it is important that, to the extent possible, the capital raising exemptions be harmonized across all Canadian jurisdictions, and as an adjunct, the statutory rights of action could easily be revised to apply in the same circumstances across all of Canada. We would also support efforts made to harmonize the definition of an “offering memorandum” across jurisdictions. Harmonizing the exemptions, the application of the statutory rights of action and the definition of an offering memorandum would all simplify the capital raising process for issuers, and assist issuers and prospective investors in confirming eligibility and ramifications for participation in an exempt offering that occurs in more than one jurisdiction.

Concluding Remarks

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to consider our points of view. Please feel free to contact us at chair@cfaadvocacy.ca on this or any other issue in future.

(Signed) *Ada Litvinov*

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Chair, Canadian Advocacy Council