TrueNorth VANTAGE

September 19, 2014

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Dear Sirs & Mesdames,

Re: Proposed Amendments to NI 23-101 - Order Protection Rule

We thank CSA staff members for their extensive work in examining the current state of the Order Protection Rule (OPR) and to formulate the questions for this Request for Comment.

Unprotected Visible Marketplaces

Our main concern is with the proposed creation of a two-tiered market of protected and unprotected marketplaces.

Since the adoption of multiple marketplaces, the Canadian OPR structure has maintained robust price discovery and fairness by maintaining that all orders be protected on every approved lit marketplace. The adoption of the proposed 5% market share threshold would create a two-tiered marketplace - one fully accessible to all, the other only accessible at the discretion of a client's broker.

What will be the consequence of volume trading on markets not accessed by certain firms? A 5% aggregate market share is often comprised of a much larger percentage of trading in particular stocks. Price discovery in those symbols will be materially impacted when that marketplace loses its OPR status.

From a fairness perspective, the unprotected marketplaces will come to resemble private meeting facilities of the firms willing to stay connected. Retail and institutional clients will notice inferior fills and will complain to their brokers and to IIROC or the OSC.

One alleged complaint of the existing system is that it is costly and overly complicated. Our experience has been that costs of execution have only dropped since the ending of the single marketplace monopoly, and spreads have never been closer. The individual client has never enjoyed access to the financial marketplace at a lower average cost. All this has been achieved despite the fact that by far the vast majority of all trading still rests on platforms controlled by the former monopoly. The Canadian OPR network has become a robust method of ensuring maximum price discovery and liquidity.

An Alternative to Consider

A constant worry we have heard from many in the dealer community is that yet another American-based dealer with its own ECN/ATS will launch into Canada, leveraging-off its existing U.S. platform. At a fundamental level, the dealer community - the actual "customers" of each marketplace - should have the ability to collectively decide whether or not a new exchange or ATS may join the OPR network. We are losing sight of the history of stock exchanges: they formed only when a critical mass of brokers/dealers met at agreed times and an agreed place to trade stock. Only later did regulation enhance the "network externalities" of what these brokers/dealers had created.

As a client of numerous dealers around the world, our organization often pushes for access to new markets or new trading products and our dealers respond only when enough of their other clients have asked for the same thing. Dealers do not assume that clients may want certain products or certain markets and immediately sign-up for everything available. Only when enough clients ask for the same product or market access do the dealers oblige, because they see potential for new revenue. This is the case even if a majority of their clients may never use the new trading product.

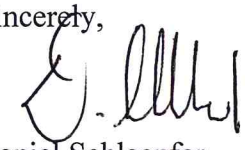
So, likewise, it makes commercial sense that a critical mass of dealers should have signed-up to join a new marketplace before that marketplace be allowed to launch. Whether the threshold is set at 20%, 25% or 33% of the total number of participants on the principal exchange whose symbols the new venue wishes to trade (the "denominator" of dealers being calculated for simplicity's sake as of the latest year-end), there should be an adequate portion of the Canadian dealer community willing to participate at launch. This requirement would ensure that the dealer

community views the proposed new venue as a significant value-add to the OPR network, and that the new venue appeals to a wide enough cross-section of dealers.

Market Data

Our only concern with market data regulation is that "relative value assessment" should also apply to the principal marketplace visa-vis other international markets. It should not be assumed that the principal marketplace's fees are the appropriate benchmark against which to measure all of the other marketplaces' fees.

Sincerely,



Daniel Schlaepfer
President