

IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990,
CHAPTER S.5, AS AMENDED (the Act)

AND

IN THE MATTER OF
CANADIAN TRADING AND QUOTATION SYSTEM INC.

ORDER
(Section 144 of the Act)

WHEREAS the Commission issued an order dated May 7, 2004, as varied on September 9, 2005 and June 13, 2006 granting the recognition of the Canadian Trading and Quotation System Inc. (CNQ) as a stock exchange pursuant to section 21 of the Act (the Recognition Order);

AND WHEREAS the terms and conditions attached as Schedule A to the Recognition Order reference Market Regulation Services Inc. (RS Inc.) in Item 6;

AND WHEREAS effective June 1, 2008, RS Inc. will combine its operations with the Investment Dealers Association of Canada to form the Investment Industry Regulatory Organization of Canada (IIROC);

AND WHEREAS the Commission is of the opinion that it is not prejudicial to the public interest to vary the Recognition Order to refer to IIROC;

IT IS ORDERED pursuant to section 144 of the Act that the Recognition Order be varied as follows:

1. Item 6 of Schedule A of the Recognition Order is repealed and replaced by the following:

“6. REGULATION

- (a) CNQ will maintain its ability to perform its regulation functions including setting requirements governing the conduct of CNQ Dealers and CNQ Issuers and disciplining CNQ Dealers and CNQ Issuers.
- (b) CNQ has retained and will continue to retain the Investment Industry Regulatory Organization of Canada (IIROC) as a regulation services provider to provide certain regulation services which have been approved by the Commission. CNQ will provide to the Commission, on an annual basis, a list outlining the regulation services performed by IIROC and the regulation services performed by CNQ. All amendments to those listed services are subject to the prior approval of the Commission.
- (c) CNQ will provide the Commission with an annual report with such information regarding its affairs as may be requested from time to time. The annual report will be in such form as may be specified by the Commission from time to time.
- (d) CNQ will perform all other regulation functions not performed by IIROC.
- (e) Management of CNQ (including the President and CEO) will at least annually assess the performance by IIROC of its regulation functions and report to the Board, together with any recommendations for improvements. CNQ will provide the Commission with copies of such reports and shall advise the Commission of any proposed actions arising therefrom.
- (f) CNQ shall provide the Commission with the information set out in Appendix A, as amended from time to time.”

2. Item 11 of the Recognition Order is repealed and replaced by the following:

“11. DISCIPLINE RULES

- (a) CNQ will ensure, through IIROC and otherwise, that any person or company subject to its regulation is appropriately disciplined for violations of securities legislation and the Rules.
- (b) CNQ will have general disciplinary and enforcement provisions in its Rules that will apply to any person or company subject to its regulation.”

SRO Notices and Disciplinary Proceedings

Dated this 16th day of May, 2008, effective on June 1, 2008.

“W. David Wilson”

“James E.A. Turner”