



April 4, 2011

Attention:

Market Regulation Branch
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Fax (416) 595-8940
Email: marketregulation@osc.gov.on.ca

And to:

Gary Knight
Chief Executive Officer
TMX Select
Exchange Tower, 130 King Street West,
Toronto, ON M5K1J2
Email: gary.knight@tmx.com

Dear Mr. Knight:

TriAct Canada Marketplace LP ("TriAct") is pleased to have the opportunity to comment on the TMX Select Inc. Notice of Initial Operations Report and Request for Feedback.

TriAct (a wholly-owned subsidiary of ITG Canada Corp.) is an Alternative Trading System that operates MATCH NowSM, Canada's leading dark pool for Canadian listed securities. MATCH Now is a broker-neutral, fully confidential trading book where order information is not visible to other traders and buy and sell orders are matched using a combination of frequent call matches and continuous execution opportunities.

In general, TriAct has no objection to TMX Select Inc. (TMX Select), in fact we encourage the introduction of innovation and competition in Canada for the trading of securities. We however believe that there must be clarity and fair competition amongst the Alternative Trading Systems. We also believe that it is essence that the Universal Market Integrity Rules are equally applied and the best interests of all users of these markets are protected.

We would like to raise two items that we believe require further regulatory analysis in the TMX Select operation report.

1. TMX Select crosses are not subject to interference from orders in the book at TMX Select's best bid and best offer price. We would like to understand if this would also apply to the

Principal or non-client portion of a cross where a client should be provided priority as required by UMIR 5.3 Client Priority rules. By providing some automated enforcement of client priority within a Marketplace helps protect the interest of clients that provided price discovery.

2. Dark Limit Orders are executable on TMX Select at the best bid or best offer. The CSA should provide clarity and certainty on the requirement for price improvement on Dark Orders¹. The CSA should also apply any such requirements across all ATS' evenly so that there is a level playing field to ensure that there can continue to be fair competition between business models.

In conclusion we do not object to the approval of TMX Select as a competitor however we believe the OSC should provide clarity on the application of current rules and regulations for the above noted situations.

Thank you for this opportunity to comment.

Sincerely,



Torstein Braaten
Chief Executive Officer and Chief Compliance Officer
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¹ **Joint CSA/IIROC – Position Paper 23-405 – Dark Liquidity in the Canadian Market** “Dark Orders should only be required to provide meaningful price improvement over the NBBO when executing with an active order which does not meet the minimum size exemption. There should be no price improvement requirement on two Dark Orders meeting or exceeding the minimum size exemption.”