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Market Regulation Branch
Ontario Securities Commission
20th Floor
20 Queen Street West
Toronto, ON M5H 3S8

Sent via email: marketregulation@osc.gov.on.ca

Dear Sirs:

**RE: Comments regarding the Application for Recognition of Aequitas Innovations Inc. and
Aequitas Neo Exchange as an Exchange**

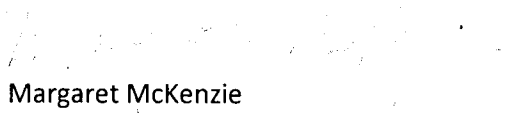
I am writing this letter to you today as an individual who serves as an independent director of a publicly traded Canadian corporation, CFO of a private entity and a member of both the Institute of Chartered Accountants of Alberta and the Institute of Corporate Directors. While I have worked as a financial professional for the past 25 years, I do not have specific expertise in the regulations and rules applicable to stock exchanges so my comments will be limited to general matters of concern to issuers and the general public.

1. Governance – the governance and operational model put forward by Aequitas appears to provide a structure that prioritizes the needs and interests of issuers and investors. The fundamental purpose of a stock exchange is to provide an efficient mechanism for investors to buy and sell securities of those entities who list on the exchange. The Aequitas ownership structure offers a balanced representation of exchange users that should enable it to stay in touch with the real needs of the capital market process. I agree with others who have already provided comments to you that the concept of a significant shareholder should be limited to those shareholders who own more than 5%.
2. Liquidity in the Market Place
It appears that meaningful liquidity is increasingly concentrated in a limited number of publicly listed companies in Canada. Intraday profits generated by predatory high frequency trading strategies appear to be crowding out real market makers. Designated Market Makers serve a valuable role in providing quotes and trade liquidity. By providing a mechanism for these Designated Market Makers to benefit from their trading activity while ensuring that they meet their obligations of putting capital at risk and providing quotes and trades, the Aequitas model will provide value to both issuers and investors.

3. Competition

The Canadian capital markets need competition and innovation to ensure that all participants benefit from the best practices at the lowest cost. What Aequitas proposes appears to be a viable business model that prioritizes the needs of investors and issuers. This type of competition should be encouraged. Specifically, I would support the notion that the listing requirements of an issuer should be defined by the exchange as this promotes meaningful differentiation among the competing exchanges.

Sincerely,



Margaret McKenzie