

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

Via email: marketregulation@osc.gov.on.ca

Re. OSC Notice and Request for Comments Regarding the Application for Recognition of Aequitas Innovations Inc. and Aequitas Neo Exchange Inc. as an Exchange.

To Whom It May Concern:

I am the Chairman of Serafina Energy Ltd. and a Director of Saguaro Resources Ltd., Can Elson Drilling Inc. (TSX:CDI), and Panorama Mountain Village Inc. Previously, I was a director and Chairman of the Special Committee of Angle Energy Inc. (TSX: NGL) prior to its successful sale in December 2013. Prior to that, I was an investment banker in Calgary for 18 years, including 15 years at FirstEnergy Capital Corp where I was Managing Director, and head or co-head of the Corporate Finance group, involved in literally hundreds of public market financings and M&A transactions. I have the following comments regarding my concerns with the current Canadian capital markets.

The Need for Competition and Innovation

I believe that competitive forces generally result in innovation, efficiency, and quality. The capital markets should be no exception from this basic premise, particularly in relation to stock exchanges considering the critical role they play in the capital formation process. Today's exchanges put their profit considerations ahead of the benefits of their stakeholders and remain, particularly in Canada, largely unchecked. The competition among Canadian stock exchanges, that Aequitas will bring, will result in a landscape that

innovates to generate efficiencies and lower overall costs for market participants and that will be beneficial to all players in the Canadian capital markets.

The Need for a Level Playing Field

I also believe that high frequency trading (HFT) has created an uneven playing field in capital markets to the detriment of the majority of market participants and to the benefit of a select few. I find it somewhat alarming that current exchanges and marketplaces, driven by the revenues HFT represents, are actually focusing on creating additional opportunities for these firms. We urgently need an exchange with a different vision that will seek to limit the opportunities for abuses by HFT firms and will create a level playing field amongst all Canadian capital market participants. This is the exchange model Aequitas wants to establish and I am very supportive of it.

Restoring confidence in public markets

I believe that confidence in the public markets has eroded due to the issues around HFT and its impact on true liquidity across all publicly listed companies (large and small-cap). I spent most of my career working with public companies in the resource sector, yet I am now on the board of primarily private companies. Many companies have chosen to fund themselves and stay private as they can no longer find in public markets the benefits they used to: liquidity and recognition. Some of these companies will ultimately go public, but before doing so having access to a competitive, innovative and well-functioning public market landscape is crucial. This is what I expect Aequitas to bring to the table.

I congratulate the OSC for providing a forum to comment on the Aequitas Exchange application and I am hopeful that this process will result in a better functioning Canadian stock exchange landscape driven by the virtues of competition and fairness.

Sincerely,

M. Scott Bratt