



LEEDE FINANCIAL MARKETS INC.

May 30, 2012

Secretary of the Commission  
Ontario Securities Commission  
20 Queen Street West  
Toronto, Ontario  
M5H 3S8

Dear Sir:

**Re: Maple Group Acquisition Corporation Notice and Request for Comment**

This letter is further to the notice and request for comment that was published by the Ontario Securities Commission (the "OSC") on May 3, 2012, in connection with the proposed acquisition of TMX Group Inc. ("TMX Group") by the Maple Group Acquisition Corporation ("Maple"). Maple also proposes to acquire Alpha Trading Systems Limited Partnership and Alpha Trading Systems Inc. (collectively, "Alpha") and the Canadian Depository for Securities Limited ("CDS")(collectively, the "Maple Proposal").

Leeede Financial Markets Inc. is an independent retail securities dealer with offices in Vancouver and Kamloops, British Columbia, and Calgary, Alberta. Our firm has 121 employees, 97 of which are registered. Each of our investment advisors has his or her own business plan and is free to recommend portfolios tailored to their individual clients' needs. Their independence helps to ensure that all clients of our firm receive the best possible investment advice, neutral and free of conflict.

In July, 2011, the Competition Bureau Canada (the "Competition Bureau") solicited the opinion of our firm with respect to the Maple Proposal. At that time, we advised the Competition Bureau that it was our belief that it is in the best interests of the Canadian market place not to allow the Maple Proposal to proceed. Our primary concerns had to do with the following:

- The concentration of trading, clearing, and settlement infrastructure in a small group of large financial institutions, including some of the largest users of this infrastructure;
- The impact of reorienting CDS from a cost-recovery entity to a for-profit commercial enterprise;
- Opportunities for Maple to act anti-competitively in the pricing of trading, clearing, and settlement services; and
- Whether or not fair access to trading, clearing and settlement services will be provided to those market participants not affiliated with Maple.

We also advised the Competition Bureau that in our view, the best model for an exchange is one that is publicly owned and is independently governed. The best model should provide an environment that is conflict free, such that trading prices are truly the product of arms' length negotiation between buyers and sellers.

The OSC through its notice is soliciting comments on draft orders that its staff has prepared recognizing, Maple, the TMX Group and the TSX Inc. as exchanges, and CDS and CDS Clearing and Depository Services Inc. as clearing agencies. Staff of the OSC has attempted to address concerns raised by marketplace

participants concerning the Maple Proposal through terms and conditions attached to the orders. The concerns raised by those market participants are similar to and include those that our firm raised with the Competition Bureau in July, 2011.

From our review of the draft orders, it appears that the terms and conditions give the OSC the ultimate authority over every aspect of the business and operations of the entity that will result from the Maple Proposal. The OSC appears to have been given the final say over governance structure, pricing, conflict of interest, fee controls and operating rules. To our mind, the effect of the draft orders is to convert the Maple Proposal into a government controlled monopoly. Instead of having a small cartel control the largest trading platform in Canada and the dominant clearing facility, control will be in the hands of the OSC. This is a far cry from what we envision as the best model for a fair exchange. We are of the view that the draft orders create an exchange model that does little for the Canadian capital markets, the economy, competition and ultimately, the public interest.

We also have the following specific comments on the Maple Proposal and the regulatory regime created by the draft orders:

1. Costs of Enhanced Oversight

We suspect that the ongoing cost to have the OSC monitor the entity created by the Maple Proposal will be onerous. The OSC discloses in its notice and request for comment that these costs will be "...recovered through the imposition of participation fees and activity fees". At a time when the financial markets are reeling from world events and will continue to do so for the foreseeable future, it seems hardly fair to burden industry participants with significant cost increases. Commissions in other jurisdictions will no doubt levy fee increases as well to the extent that they participate in monitoring the Maple Proposal.

2. Detrimental to the Venture Market

Our firm derives a substantial portion of its revenues from its activities on the TSX Venture Exchange. The Maple Proposal envisions that 8 out of 17 seats on the Maple Board will consist of Maple nominees. The Maple Proposal envisions the same board for the TSX Venture Exchange. Maple's owners are all large Canadian financial institutions with little interest in the fortunes of the venture market in Canada. We are very concerned that Maple nominees could influence the board to direct management of the TSX Venture Exchange to make decisions that suit the objectives of the Maple owners but are not necessarily optimal for the success of the TSX Venture Exchange in particular and the venture market in Canada in general.

3. Unforeseen Conflicts

If the Maple Proposal goes forward, Maple will control all of the significant equity trading facilities and the significant clearing agencies in Canada. Through the terms and conditions, the draft recognition orders promulgated by OSC staff attempt to address all known issues relating to conflicts of interest and anti-competitive behavior. We are very concerned that the concentration of control by Maple as a result of the completion of the Maple Proposal will give rise to conflicts of interest and anti-competitive behavior that have not been foreseen by staff of the OSC. These may prove to be very significant and very detrimental to the marketplace, and may not even be recognized until significant damage has been done to the integrity of the marketplace.

#### 4. Systemic Risk

The British Columbia Securities Commission (the "BCSC"), in its BC Notice 2012/11 dated May 24, 2012, identifies the systemic risk derived from the fact that the completion of the Maple Proposal may create an entity that is "too big to fail". In this regard, the notice states the following: "Were something to occur that put Maple at financial risk, the consequences to the securities and derivatives markets would be unpredictable". We share the BCSC's concern in this regard. We are of the belief that no amount of oversight will be sufficient to counter this risk given the dimensions of the Maple Proposal within the context of the Canadian marketplace.

In sum, we reiterate our advice to the Competition Bureau that it is our belief that it is in the best interest of the Canadian market place not to allow the Maple Proposal to proceed. We remain of this opinion even with the active intervention and participation of the regulatory body governing the largest provincial securities market in Canada.

Should you have any questions with respect to the forgoing, please do not hesitate to contact the undersigned at 604-658-3014.

Yours truly,



Robert Harrison  
President & CEO

cc. Gord Medland, Senior Vice President, Chairman  
Jim Dale, Senior Vice President, Finance and CFO  
Richard Carter, Senior Vice President, General Counsel