



Caldwell Securities Ltd.

Independent Investment Advisors

May 31, 2012

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

Sent by courier and e-mail: comments@osc.gov.on.ca

Regarding: Maple/TMX Merger

Caldwell Securities Ltd. is an independent, mid-sized, investment brokerage firm based in Toronto and potentially one of the companies most affected by the Maple/TMX merger. As is widely known, our firm originally favoured the London Stock Exchange combination, but as that is long past, we feel strongly the Maple/TMX merger should be supported.

Given the safeguards developed by the Ontario Securities Commission, we have no objection to the merger proceeding. Our primary concerns related to equal access and cost for both TMX and Canadian Depository for Securities ("CDS") services. These issues have been satisfactorily addressed through the conditions now attached to this deal.

Our organization is one of the leading, worldwide investors in securities exchanges and it is clear that major competition is now between the capital markets of varying countries versus domestic. Analyzing trades purely based on the volumes within domestic markets misses the basic point that Canadian markets are in a global competition. Most major Canadian companies have their shares traded on either American or international markets. The battle for financial markets is not about competition with ourselves, but our country out-competing and beating the rest of the world.

As a consequence, we need a strong, major exchange that is fully integrated (e.g. including clearing/settlement, etc.) with the financial and management strength to become a world class player. The Maple/TMX has that potential and we should not squander this opportunity.

No securities exchange has a lock on trading volumes. Percentage of trading can change rapidly depending upon technological changes (speed and reliability), as well as costs. Traders are now free to channel trades or align their order flows through numerous competing venues

I believe the efficiencies, cost benefits, presence and opportunities presented by the Maple/TMX combination should be embraced as soon as possible.

Thomas S. Caldwell, C.M.
Chairman & CEO

MEMBER: IIROC & CANADIAN INVESTOR PROTECTION FUND

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