



FASTER-INDEPENDANT-CANADIAN

Market Regulation Branch
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RE: CX2 Application

Dear Market Regulation

While it may seem counterintuitive for a Canadian marketplace to create a second book, Chi-x has through its application for the creation of the CX2 platform, embraced one of the few positive competitive responses to the situation created by the Maple partner's settlement. With the largest monopolistic competitor controlling several platforms, few independents can survive in the long term without the ability to offer various tools and pricing schedules to the varied niches in the trading community. TMX, Post-Maple, is now in a position to pit its varied platforms and pricing models against individual competitors in an attempt to exercise its historic market dominance and be all things to all users.

The use of this second platform as a means of introducing anonymous broker referencing is an excellent example of the kind of tailor made innovation that multiple books offer a marketplace and its participants. Anonymous Broker Preferencing does beg the question of how the CX2 marketplace would print when an anonymous buy trades in a broker preferred match with a declared offer. Would the resulting anonymous versus lit trade print on the tape with the broker number negate the goal of the anonymous trade?

We can commend Chi-X for their decision to pursue a second marketplace in a manner that limits the financial impact on the street to the greatest extent possible. While the incidental costs and modifications for market participants may upset some, they are a small price to pay to prevent the return to monopoly and insure a long term healthy multiple marketplace environment.

A handwritten signature in blue ink, appearing to read "B. Crew", on a light yellow background.

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