

BLACKMONT CAPITAL INC.

October 11, 2006

Ontario Securities Commission  
c/o John Stenson, Secretary  
20 Queen St. W.  
Suite 1900, Box 55  
Toronto, Ontario  
M5H 3S8

Dear Sir:

This letter is in response to the Notice of Proposed Amendments affecting market places. In particular, I would like to comment on debt market transparency.

By way of introduction, I have had 39 years of experience in the investment business, spanning all sides of the business with a primary focus on fixed income markets. Since 1988, I have managed three retail fixed income trading desks at Dean Witter Canada (3 years), First Marathon (12 years) and am currently with Blackmont Capital. Also, I published a book earlier this year entitled: "In Your Best Interest; The Ultimate Guide to the Canadian Bond Market." I wrote it for retail investors as it has been a long term goal of mine to educate the investing public in this complex marketplace.

Overall, I am in favour of increased transparency of debt markets for the simple reason that the more transparent or visible that a market is, the more that investors will trade in it.

I am puzzled how your proposals will be of any help to retail investors. While some form of price discovery is of value, you might remember that investment advisors (IAs) must add a markup to get commissions as the bond market is a principal market. All dealers have internally developed suggested commission grids but IAs retain considerable latitude in what they charge. Thus, I do not see much advantage for an individual investor; also, nowhere does it say how much this will cost an investor to see these prices. In addition, the retail fixed income business is a significant profit centre for the major dealers for either the institutional desk, the retail desk, or both. Medium sized dealers do well also. In addition to this, the emphasis on Government Debt is misplaced as the lion's share of retail fixed income investments takes place in Corporate Bonds and Zero Coupon bonds (or "strips"). There are so many issues outstanding in these products that very few of them trade every day. I suppose that a medium sized dealer such as Blackmont as well as smaller dealers will benefit from enhanced knowledge of where everything is trading but this will be of minor help to investors. I hope this is of some value to you.

Sincerely,

Hank Cunningham  
Sr. V.P., Director, Fixed Income  
Blackmont Capital