Please accept this email as my formal submission regarding the proposed instrument. I am recently retired as President of the TSX Venture Exchange. My comments however, do not just emanate from my experience(s) as President of the Exchange. Rather, they reflect a broad range of experiences and impressions that span a 33 year career, including 26 years with CIBC. From 1988 until 1999 I held senior executive roles with CIBC in Alberta and Ontario. My last position with CIBC was as Executive Vice President of Wealth Management. I am personally an active investor and I have sat as a Director on the Boards of many organizations. All of this is to say that my views do not reflect a narrow perspective and I am not advocating on behalf of any one stakeholder. I completely understand the delicate balancing act necessary to ensure our capital markets remain vibrant,competitive and credible.

I will begin with my conclusion. If this instrument is adopted in its current form, it will have crossed the line in terms of achieving the balance I refer to above. In other words, the" final straw will have been placed on the camel's back", and our capital markets in Canada (tiny and junior in the global context, certainly when compared to the US) risk becoming uncompetitive. This instrument, as the culmination in a proliferation of instruments/legislation/liabilty etc, that have occurred over the past 5 years in Canada, will tilt the balance in a direction that is harmful to our capital markets. Canada's capital markets are unique. We have a long history of small issuers succesfully raising small amounts of public capital. This is driven in part by our resource based economy, but also by the limited sources of other venture capital alternatives that exist in Canada to invest in these companies.These SMEs are, by their very nature, high risk enterprises, both in terms of the business risk as well as in the absence of classical internal controls, such as segregation of duties. While there are compensating controls such as management supervisory controls , shareholders in these smaller companies know and accept that such controls are primarily dependent on trust in officer and director integrity. In my experience. these shareholders accept the business risk and accept the differences in the control environments that are in place in a very large company vs a small company. Of course, they DO want to believe that they can place their trust in the officers and directors of these companies. And this more important element (the suitability of the officers and directors) is where the emphasis should be, and is, for junior companies. Shareholders do not want these smaller companies spending the capital they (the shareholders) have invested on excessive and burdensome compliance requirements that do nothing further to protect their investment. To the contrary, they add unnecessary costs to the core business and detract from managements ability to execute on the business plan .The business plan for most SME's usually includes critical milestones, short timelines and minimal resources.

In attempting to follow the US lead on these issues(Sarbanes Oxley/ SOX), Canadian regulators have neglected to consider other ideas and approaches to regulation taken from other jurisdictions that more closely resemble Canada's (The UK's AIM , Australia etc). These jurisdictions, by the way, are not suffering from a lack of investor confidence and have no problem raising capital. Canadian regulators seem to have started from the premise that SOX is the gold standard. The CSA has seemingly accepted that yes, our market and our listed issuers are very different in size and in other ways from US listed companies. But then, the CSA still concluded that it was best to follow the US lead and find a way to stuff our "square pegs (small listed issuers) into round holes(compliance to a modified SOX)" . The Venture Design Accomodation is a perfect example of this.CSA's proposed NI 52 109 will not work in the case of most Venture issuers, and I think the CSA (in its accomodation proposal) is acknowledging this. The accommodation doesn't work because it offers no practical guidance. No amount of guidance makes up for the fact that there is no suitable, recognized control framework for SME's. In addition, the accomodation is about design, not evaluation, and as a potential director, this concerns me personally and will likely prevent me from sitting on the Board of any small publicly traded company.

In summary, I think I have made my position clear.I felt it important to comment because most of the companies I am speaking about do not have the time, resources etc to comment. In many instances, they will not even be fully aware of what is about to hit them. After the fact,their professional advisors (lawyers, accountants etc) will be able to benefit enormously from this instrument. Although you have backed away from the requirement to have the external auditor attestation, I can assure you that many professional advisors are still advising their clients(companies, officers, directors) that they should request external auditor attestation in order to protect themselves. You will likely receive the majority of your comments from the "usual suspects" ie the institutional investors who have never invested in a junior company and who think one size should fit all. You will hear from large interlisted companies who already have to comply with SOX in the US and so "why shouldn't all Canadian listed companies have to chin up to the same standard ?". Unfortunately, you will likely not hear from the companies and investors most affected by this instrument .....not because they don't care but because they are not aware it is coming, do not appreciate its full implications or, as I stated above, do not have not the time or resources to study the implications.

My suggestions to you are as follows. Take time to step back and assess where we stand today from a globally competitive perspective. Inventory all of the regulation currently imposed on our listed issuers and compare it to other jurisdictions. Rethink the whole approach to regulation in this country (maybe more principles and less prescription) and benchmark against jurisdictions that more closely resemble ours. There is no specific crisis regarding investor confidence in Canada that I am aware of ....no unique problem in our Canadian/ junior markets that we are trying to resolve. Frankly if there is an area of weakness in Canada, it is in enforcement. The instrument does nothing to address this.

If however, you are determined to proceed with NI 52 109 and you are only prepared to consider comments specific to its implementation, then my suggestions are as follows. You should consider completely exempting TSX Venture Exchange issuers from the proposed enhanced certification and disclosure requirements of NI 52 109, You could review this at some point in the future and see if there are problems with this exemption.I also would suggest that smaller issuers on TSX (pick a market cap size as the cut off) be able to avail themselves of the Design Accomodation that was proposed for Venture issuers. Of course the companies would have to fully disclose this to investors. In this way, you have a "bright line" distinction of risk for investors,as between the TSX Venture Exchange and the TSX with full dislosure from companies on the TSX who choose to avail themselves of the accomodation.

I hope you view my comments as constructive. If you would like to contact me to discuss further I can be reached at 1 403 560 2679.

Linda Hohol