Tradex®
Clarica Centre
50 O'Connor Street, Suite 920
Ottawa, Ontario K1P 6L2
Tel.: 233-3394 1-800-567-3863
Fax: (613) 233-8191
e-mail: info@tradex.ca
Website: www.tradex.ca

VIA ELECTRONIC MAIL

July 29, 2010

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territories
Superintendent of Securities, Nunavut

Dear CSA Member Commissions,

I am writing to provide you with Tradex Management Inc.'s views with respect to three of the proposed amendments to National Instrument 81-102 and 81-106, as published on June 25, 2010. Tradex was created in 1960 and is therefore one of the oldest mutual fund management companies in Canada. In addition, Tradex has been a Member of the MFDA since 2002.

Commingling Restrictions

We welcome the proposal to exempt MFDA Members from the commingling restrictions under Part 11 of NI 81-102. Our reasons for welcoming this proposal are as outlined in our letter to Mr. Jean St-Gelais dated March 19, 2007 (see attached).

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Interest Determination and Allocation

We believe that it is appropriate for Members of the MFDA and IIROC to be treated equally with respect to the handling of interest in trust accounts. At the same time, we believe that the proposed change would not be prejudicial to the interests of clients of MFDA member firms or the public. Therefore, we support this proposed change.

Compliance Reports

As above, we believe that it is appropriate for Members of the MFDA and IIROC to be treated equally with respect to the requirements of National Instruments 81-102 and 81-106. Thus, since IIROC members are exempt from Part 12 of NI 81-102 we believe that MFDA member firms should also be exempt. At the same time, we believe that this proposed change would not be prejudicial to the interests of clients of MFDA member firms or the public. Therefore, we support this proposed change.

I sincerely hope that our comments will be of benefit to you.

Yours very truly,

Blair Cooper
President
Tradex Management Inc.

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March 19, 2007

Mr. Jean St-Gelais, Chair
Canadian Securities Administrators
Tour de la Bourse
800, Square Victoria
Suite 4130
Montreal, Quebec
H4Z 1J2

Dear Mr. St-Gelais,

We are writing to ask the Canadian Securities Administrators, as a group, to either:

(a) amend Part 11.1(b) of National Instrument 81-102 to provide Level 3 and 4 Members of the Mutual Fund Dealers Association of Canada with the same exemption from this section that IDA Members receive

or

(b) provide blanket exemptive relief from Part 11.1(b) of National Instrument 81-102 to Level 3 and 4 Members of the Mutual Fund Dealers Association of Canada in order that they are treated equally with the treatment received by IDA Members.

Please allow us to explain why we believe that it is in the best interests of the Canadian financial system for CSA Members to make this change.

1. On July 14, 2006 the MFDA, which is responsible for regulating the conduct of all mutual fund dealers in Canada (with the exception of Quebec) granted all of its Level 3 and 4 Members (a total of 114 individual firms) exemptive relief from the restriction concerning commingling of client funds held in a trust account designated for the purchase/sale of mutual fund securities with client funds held in a trust account designated for the purchase/sale of other securities, such as GICs. The MFDA removed this restriction since, in its view, "it would not be prejudicial to the interests of MFDA Members, their clients or the public".

2. Since the MFDA has limited authority (similar to the limited authority of the IDA) a condition of the exemptive relief was that each MFDA Member was to obtain relief from the relevant regulatory authorities from the applicable provisions of Part 11 of NI 81-102. The commingling restrictions of Part 11 do not apply to IDA Members because, at the time the Instrument was enacted, the IDA was in existence and was actively regulating the business affairs and conduct of its Members. However, since the MFDA did not exist at that time, MFDA Members could not have been exempted. In this regard, the MFDA has now been up and running for over 5 years and has now completed an audit on every Member. Given that the MFDA is now fully functional, it would appear that there is no logical reason why IDA Members are not subject to this restriction while MFDA Members are subject to it. Making the requested change would put MFDA Members and IDA Members on an equal footing, which we believe would be beneficial to all stakeholders.

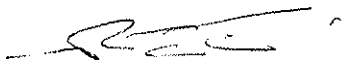
3. We understand that the regulatory authorities in the provinces of Alberta, British Columbia and New Brunswick have indicated that they will be granting blanket relief to all Level 3 and 4 MFDA Members regarding this issue. However, other provinces have not given this indication. Ontario, for example, is insisting that every MFDA dealer must pay a fee of $3,000 in order to receive exemptive relief. Quite frankly, we cannot understand why, in a country like Canada where 81-102 applies nationwide, some jurisdictions would find it appropriate to grant MFDA Members blanket exemptive relief while others feel obliged to put up roadblocks for MFDA dealers to obtain this relieve. This does not speak well to the efforts to harmonize securities legislation in Canada (which we believe would be to the benefit of all Canadians).

4. While our main concern with the way some provinces are proposing to handle this issue relates to a matter of principle (i.e., the principle that MFDA Members should be treated equal to IDA Members) we also want to raise the issue of financial fairness to smaller firms. For example, with respect to Ontario insisting on a $3,000 fee per MFDA Member, we realize that a fee of this magnitude is not a great deal of money for a Canadian chartered banks or the other major financial institution in Canada. However, fees of the nature represent a substantial sum to smaller MFDA Members. In this regard, fees of this size for relief from this extremely technical (and minor) item seem to be totally out of line with the other fees that small mutual fund dealers are expected to pay to the regulatory authorities. Indeed, the imposition of this type of fee by CSA Members is a concrete example of a significant "barrier to entry and a barrier to staying in business" for small MFDA Members. As you can appreciate, this type of fee greatly favours larger financial institutions, thus putting the small MFDA Members at a huge competitive disadvantage from the point of view of promoting both a level playing field and competitive environment within the Canadian financial services sector.

Based on the above, we are asking the CSA, as a group, to examine this issue with the aim of treating MFDA and IDA members equally.

The collective attention of CSA Members to this matter would be greatly appreciated.

Yours truly,



Robert C. White
President
Tradex Management Inc.

cc: Robert Wright, MFDA
Larry Waite, MFDA
Karin McGuinness, MFDA