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BY E-MAIL

September 19, 2014

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince
Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Nunavut

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
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Fax: (514) 864-6381
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The Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
Fax: (416) 593-2318
E-mail: comments@osc.gov.on.ca

Dear Sirs / Mesdames,

**Re: Comments on Proposed Amendments to National Instrument 23-101
Trading Rules**

The following comments are submitted in response to the Notice and Request
for Comments (the "Request for Comments") published by the Canadian Securities
Administrators (the "CSA") on May 15, 2014 with respect to proposed amendments

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(the “**Proposed Amendments**”) to National Instrument – 23-101 *Trading Rules* (“**NI 23-101**”).

Thank you for the opportunity to comment on the Proposed Amendments. This letter represents my own personal comments (and not those of the firm generally or any client of the firm) and are submitted without prejudice to any position taken or that may be taken by our firm on its own behalf or on behalf of any client.

I commend the CSA in its ongoing efforts to strive to improve fairness and efficiency in capital markets as well as competition and innovation, but caution that proposed changes to the Order Protection Rule (the “**OPR**”), by limiting it to certain “protected” marketplaces only, are significant.

While I agree it is necessary to look for ways to address inefficiencies associated with the full implementation of OPR while maintaining a meaningful level of order protection, the proposal to make OPR subject to an adjusted market share threshold appears to be very complex in relation to the objective which is sought to be achieved. I would urge the CSA to consider other options, including a simpler model that relies on the level of voluntary dealer participation in a marketplace, rather than the proposed annual “adjusted market share.”

There are a number of reasons why such an alternative may be preferable to that which is proposed. By weighting volume and value equally, the “adjusted market share” formula may lead to unintended results over time. For example, it would likely protect a venture-focussed marketplace with large volumes but small values, at the expense of a more senior marketplace with much larger trading values but lower volumes. While the proposed test may work acceptable today, it is not clear that this will be appropriate in the longer term.

Further, the requirement for an annual assessment of the adjusted market share will also involve higher compliance and updating costs, which may not be commensurate with the potential benefits sought to be obtained. For these and other reasons, delineation of trading venues based on adjusted market share may not be the most appropriate measure to address the concerns outlined in the Request for Comments, including that OPR has made dealers “captive consumers”, acts as a support for otherwise unviable marketplaces, and adds increased inefficiency and cost.

In my view, having a critical mass of dealers wishing to participate in a marketplace is a much better marker of the value of its services, and therefore a more appropriate measure to use in deciding to bestow “protected” status. Such critical mass participation would, in my view, also better foster competition and innovation among marketplaces and better address some of the other concerns raised in the Request for Comments.

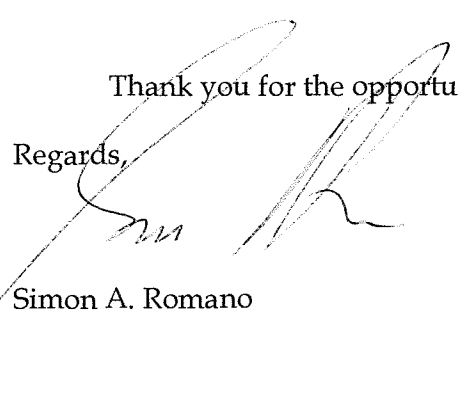
As an ancillary matter, I believe it would also be desirable to consider whether “best price” rules (i.e. obligations to others), including the OPR, should, as a

matter of policy, trump “best execution” obligations (i.e. the obligations of a dealer to its own client). As set out in the Request for Comments, best execution requirements become more complex with a multiple marketplace environment, and, while a fundamental principle, remain subject to compliance with OPR requirements. I would recommend that the CSA and IIROC undertake a more complete review of the propriety and likely effects of this prioritization, with a view to addressing any consequential issues so as to ultimately lead to better executions for clients.

I would also urge the CSA to consider whether, in the context of evolving modern technology, including instantaneous communication and often very significant volatility, orders should be able to be executed off-market (and reported to a public market) after normal trading hours. This is achievable in other countries, I note. This change would, I believe, likely assist in generally reducing risk. I would therefore also recommend that the CSA and IIROC study this issue and its likely effects.

Thank you for the opportunity to comment on these proposals.

Regards,


Simon A. Romano

