

## **Douglas G. Reeson**

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**The Secretary of the Commission  
Ontario Securities Commission**  
20 Queen Street West  
Toronto, Ontario M5H 3S8

### **RE: Comments on Recognition of CNQ as a Stock Exchange**

Dear Secretary of the Commission,

I have closely monitored the launch and development of CNQ as a stock quotation system. It is important to Canada's financial markets that CNQ be allowed to continue to evolve into a full and complete stock exchange.

Many public companies in Canada are feeling frustrated with the sole existing stock exchange. Dealing with a monopoly will do that to you. There is nothing like a little healthy competition to improve the situation for a customer, whether the customer is buying laundry soap or the services of a stock exchange. I believe that having competitive alternatives will lead to financial productivity and market efficiencies, not a regulatory race to the bottom.

The arrival of a new stock market in Canada is certainly welcome. Investors in small cap companies need enhanced liquidity for their shares and better methods of disclosure. Companies need the access to capital markets that this liquidity provides, and they need to be able to list their shares on a market without needless fees, complicated rules and excessive regulation.

I urge the OSC to recognize CNQ as a stock exchange. It would be an important addition to the Canadian capital markets and I look forward to the benefits that will accrue to investors, companies and indeed the domestic economy.

Recognition as a Stock Exchange should materially assist CNQ in achieving a sustainable critical mass through the attraction of additional listings and better visibility of trading information in the financial media. Accordingly, it is important that the "Recognition" not be accompanied by limitations on issuer eligibility that would diminish this effect and establish CNQ as a second-class stock exchange. It is only as a full and complete stock exchange that CNQ can deliver all the benefits to be realized by Canada's financial markets.

Sincerely,

Douglas Reeson