January 2, 2014

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Via email to: marketregulation@osc.gov.on.ca

Copy to:

Richard J Millar
Chief Compliance Officer
Omega Securities Inc

Via email to: richard.millar@omegaats.com

Re: OSC Staff request comments on the Fee Model Proposal. Omega Securities Inc. (OSI) Parent of LYNX ATS.

Dear Sirs & Mesdames,

I am writing on behalf of True North Vantage and its parent, Select Vantage, in response to the above noted OSC Staff Notice and Request for Comment and thank the OSC for providing market participants with the opportunity to provide comments.

Our corporate group represents on average approximately 10% (double-counted) of all volume traded across all Canadian marketplaces.

Clearly no one fee model is, or has ever been, perfect. There have been many attempts in the Canadian, and International, markets to segment fees based on varying criteria. Exchanges and ATSs have attempted many strategies to achieve as close to perfect price discrimination as possible. One of the most common strategies used is to operate multiple books. In Canada we have also seen many venues segment fees based on the type of asset being trade ie. ETFs, Fixed Income or Equity.

What OSI is proposing seems very novel and in reality quite simple. It makes perfect sense that a stock with a higher average daily volume (ADV) will have more liquidity and should have naturally tighter spreads. The risk to make a market is inversely proportionate to the ADV of the name and as a result the liquidity provider should require less of an incentive to provide that liquidity. The opposite for less liquid names should, in theory, also hold true.

<u>Specific comments</u>:
These are in response to, or as further comment to, the Notice of Proposed Fee Model Change and Request for Comment posted by the OSC here.

1. "Average daily volumes across all Canadian marketplaces will be calculated by Lynx ATS on the 15th day of each calendar month."

We feel that the ADV should be calculated no more than 3 trading days before the end of the month. We can appreciate that less sophisticated participants will require a longer lead time, but we feel that it takes away from the relevancy of the liquidity tiers.

2. Inclusion of intentional cross prints in the calculation of ADV?

We believe that the ADV calculation should on include on exchange/ats trading and not intentional cross prints. The fee being set should be based on actual tradeable liquidity.

3. Lack of sub-dollar tiers?

We feel the strategy by OSI is incomplete without sub-dollar tiers. Those tiers should take into consideration the tick sizes of the names.

In conclusion we are supportive of OSI proposed pricing schedule. We hope that some of our feedback is incorporate with the strategy long-term.

We would be happy to provide any additional information on request.

Kindest regards,

Daniel Schlaepfer
President