

DELIVERED BY EMAIL

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Dear Sirs/Madams,

Re: Proposed Fee Model for TSX and TSXV Listed Securities Trading on the Canadian Securities Exchange (“Proposal”)

WD Latimer (“We”) appreciates the opportunity to provide comments on the proposed variable fee model from the Canadian Securities Exchange (CSE). We are supportive of the proposed changes and believe that the fee model will result in a net benefit to the Canadian marketplace.

- 1) The fee model has potential to reduce the high frequency fee arbitration that both interferes with and erodes the value of the different fee models used by multiple markets to address specific dealer requirements. That reduction offers both Market Makers and other posters on the CSE more confidence and freedom to post larger volumes and tighter spreads.
- 2) The fee model should also make the Guaranteed-Minimum-Fill (GMF) facility more accessible to retail (and other) orders that are GMF eligible, improving their execution quality.

WD Latimer believes that the downsides of any stated Fair Access and Information leakage in the proposed CSE variable fee model are minimal and completely consistent with other approved fee models in our market. Like those other models the CSE proposed model has benefits that outweigh the negatives.

Examples of other fee models and practices that have been approved, hopefully based on the benefits outweighing the disadvantages, include but are not limited to:

- 1) Broker preferencing which disadvantages smaller broker dealers and dealers with no client flow.
- 2) "Participant Type" discretionary designations that provide differentiate treatment of participants based on their "type".
- 3) Speedbumps give priority to firms able to post larger orders.

This is not necessarily a criticism of these practices, but is acknowledgement that as a market, we accept, and Staff approves models where there is a balance of upside versus risk.

If the benchmark for approval is "Does the potential benefit outweigh the potential risk", we believe in this case the answer is a clear "yes".

Yours very truly,

Joshua Cauz
Director & Head Trader
W.D. Latimer Co. Ltd.