

**ALBERTA SECURITIES COMMISSION  
STAFF NOTICE 21-702**

**PROPOSED ACQUISITION OF TMX GROUP INC., ALPHA TRADING SYSTEMS  
LIMITED PARTNERSHIP, ALPHA TRADING SYSTEMS INC. AND THE CANADIAN  
DEPOSITORY FOR SECURITIES LIMITED  
BY MAPLE GROUP ACQUISITION CORPORATION**

**14 May 2012**

Maple Group Acquisition Corporation (**Maple**), a consortium of Canadian Investment dealers, pension funds and other financial institutions (collectively, the **Investors**<sup>1</sup>), has applied to the Alberta Securities Commission (the **Commission**) for various orders in connection with its intention to directly acquire 100% of the outstanding shares of TMX Group Inc. (**TMX Group**), and, indirectly, TSX Venture Exchange Inc. (**TSX Venture**) and Natural Gas Exchange Inc. (**NGX**). Contemporaneously with or following its proposed acquisition of TMX Group, Maple also proposes to directly acquire Alpha Trading Systems Limited Partnership and Alpha Trading Systems Inc. (collectively, **Alpha**) and The Canadian Depository for Securities Limited and, indirectly, CDS Clearing and Depository Services Inc. (collectively, **CDS**) (collectively, the **Maple Proposal**).<sup>2</sup>

On February 9, 2011, TMX Group entered into a merger agreement with the London Stock Exchange Group PLC (**LSEG**). On May 15, 2011, Maple launched a competing bid for TMX Group. On June 29, 2011, LSEG and TMX Group terminated their merger agreement. On October 30, 2011, Maple and TMX Group issued a joint press release announcing unanimous recommendation of the acquisition by the board of directors of TMX Group.

In its October 3, 2011 application to the Commission, Maple asked the Commission to:

1. amend and restate the recognition order for TSX Venture on the terms and conditions of the existing recognition order,
2. amend and restate the recognition order for NGX on the terms and conditions of the existing recognition order, and
3. amend the representations of the exemption order for TSX to reflect the circumstances of the Maple Proposal but to issue that order on the terms and conditions of the existing exemption order for the TSX.

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<sup>1</sup> The Investors in Maple consist of: Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., Desjardins Financial Corporation, Dundee Capital Markets Inc., Fonds de solidarité de travailleurs du Québec, GMP Capital Inc., The Manufacturers Life Insurance Company, National Bank Financial & Co. Inc., Ontario Teachers' Pension Plan Board, Scotia Capital Inc. and TD Securities Inc. (together, the Investors).

<sup>2</sup> Maple's application to the Commission is posted on the Commission's website at <http://albertasecurities.com/Insiders/Pages/Exchanges.aspx>

The Commission has reviewed the Maple Proposal in the context of the existing recognition orders for TSX Venture and NGX and the exemption order for TSX and considered the possible impact of the Maple Proposal on the public interest in the context of the Commission's mandate to foster fair and efficient capital markets, promote confidence in capital markets and protect investors.

The Commission has also reviewed:

- submissions by Maple and the TMX as to their plans in respect of TSX Venture and NGX, and notes that Maple intends to continue to develop the public venture market business of TSX Venture and the energy trading and related derivatives trading business of NGX in Alberta;
- governance plans for TSX Venture, and notes that local advisory committees will continue, as will a requirement for 25% of the board of directors of TSX Venture to have venture experience;
- issues concerning concentration of ownership and its impact on competition in trading and clearing, costs and service levels to market participants and the impact on small dealers and venture issuers, and notes that the Ontario Securities Commission (**OSC**) and l' Autorité de marchés financiers (**AMF**) have included provisions within their recognition orders, and will implement enhanced oversight models as regulatory measures, to address these issues which include pricing and conflicts of interest; and
- the impact of the Maple Proposal on the venture market, and notes the Commission will retain the requirements for TSX Venture to maintain a presence in Alberta and obtain prior Commission approval of rule changes.

As part of its overall review of the Maple Proposal, the Commission has reviewed the recognition orders and exemption orders that are being published by the OSC and the AMF, and will review the BCSC proposed recognition and exemption orders when available. The ASC wishes to ensure there are no regulatory restrictions imposed on Maple or TMX that would unreasonably prevent the growth and development of the financial market in Alberta in the normal course.

Staff of the Competition Bureau have been reviewing trading, clearing and settlement issues, and recently advised that proposed regulatory strictures and requirements may mitigate their concerns in these areas. However, the Competition Bureau will complete its review independently of the securities regulators.

Subject to our review of any further changes to the Maple Proposal and any changes to the recognition or exemption orders proposed by the OSC and AMF, and a review of the BCSC proposed recognition and exemption orders, the Commission expects it will amend and restate the recognition orders relating to the TSX Venture and NGX and the exemption order related to the TSX. Our intention is to coordinate the issuance of our orders with the other securities regulators.

Questions

Please refer any questions you may have regarding this Notice to any of the following:

Lynn Tsutsumi  
Director, Market Regulation  
Alberta Securities Commission  
403-297-4281  
[lynn.tsutsumi@asc.ca](mailto:lynn.tsutsumi@asc.ca)

Tom Graham  
Director, Corporate Finance  
Alberta Securities Commission  
403-297-5355  
[tom.graham@asc.ca](mailto:tom.graham@asc.ca)

Charlene McLaughlin  
Manager Legal, Market Regulation  
Alberta Securities Commission  
403-297-2488  
[charlene.mclaughlin@asc.ca](mailto:charlene.mclaughlin@asc.ca)

Roy Dias  
Regulatory Analyst, Market Regulation  
Alberta Securities Commission  
403-297-4221  
[roy.dias@asc.ca](mailto:roy.dias@asc.ca)

Michael Jackson  
Legal Counsel, Corporate Finance  
Alberta Securities Commission  
403-297-4973  
[michael.jackson@asc.ca](mailto:michael.jackson@asc.ca)