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Dear Sir and Madam

Re: Proposed Amendments to NI 21-101 Market Place Operation and National Instrument 23-101 Trading Rules and Related Universal Market Integrity Rules

Highstreet Asset Management Inc. ("Highstreet") appreciates the opportunity to comment on the proposed changes to the above National Instruments and the Universal Market Integrity Rules. As the regulators face certain challenges of regulating relatively new territory of multiple marketplaces, Highstreet is learning how to best reap the benefits of the opportunities so afforded.

By way of introduction, Highstreet is a portfolio manager, providing quantitative investment advice to pooled funds, institutional clients and sub-advisory services to other portfolio managers.

As assets under management have grown so has the cost of trading. Even though we can now negotiate lower commissions based on the size of our trades, the cost of sourcing liquidity, information leakage, opportunity costs and disturbance costs require us to look for ways to mitigate the effect of these factors. We are in the midst of entering into dealer-sponsored access to an ATS in order to source liquidity and control information leakage. As such we cannot speak to our experience as a market participant with any great certainty, we can only reiterate our objectives. It is in the context of the above that we present our views on the proposed changes to trade through obligations, registration of dealer-sponsored ATS clients and the definition of best execution in Rule 23-101.

Question 13: Should a last price order facility exception be limited to any residual volume of a trade or should it apply for any amount between the two original parties to the trade? What is the appropriate time limit.

Highstreet appreciates and supports the proposed last sale price order facility exception. The opportunity to trade at a discovered price even though the market has moved away from it will allow for the execution of trades in accordance with best execution as it applies to a buy side participant. We defer to the expertise of the marketplace to determine volumes and time limits.

In the discussion around last sale price order facility exception the regulators cite a very real concern for institutional clients and that is the 'opportunistic traders' that watch partial fill orders get printed on an exchange and use this information to reduce the client to 'sitting duck' status. It is our belief that participants need to understand this risk and act accordingly. The proposed definition of best execution in Rule NI 23-101 to capture price, speed of execution, certainty of execution and the overall cost of the transaction and the accompanying discussion in the Companion Policy is complete in terms of identifying the elements of best execution, however as an adviser it is important for us to not only consider the execution of a trade but the execution of a strategy. In order to realign the attributes of a portfolio it may be necessary and even advisable to execute a trade at a 'premium' (as opposed to 'inferior') price to ensure speed and certainty and containment of the implicit costs discussed earlier. Best price for some trades is the price that locks in these costs. A definition of best execution that does not address the portfolio manager's primary responsibility to execute a strategy leaves us without recourse to our only argument as to why and how a trade was executed.

Finally, we would like to address the proposed requirement for those persons who use dealer sponsored access to a marketplace to have an agreement with an exchange or regulation services provider. Highstreet has elected this form of access as opposed to subscribing with the marketplace because we respect and rely on the technical expertise of our broker sponsor to ensure that we are transacting within the rules of the ATS or exchange. We have agreements with our sponsoring broker and the ATS that give them the ability to reject, change or remove an order for any reason. We agree that there should be a minimum level of knowledge and training required for any level of access to a market place, but we are well aware that to attain a level of proficiency independent of a broker's overview would require us to trade much more frequently than does our primary job of portfolio manager. It is our view that enforcement for our trades should be directed through the sponsoring broker.

We thank the Canadian Securities Regulators for providing an opportunity to comment on the proposed changes.

Yours Truly

A handwritten signature in black ink, appearing to read 'D. Crocker', written in a cursive style.

Douglas Crocker
Chief Risk Officer
Highstreet Asset Management Inc.