Canadian Foundation for Advancement of Investor Rights

September 29, 2008

Mr. Michal Pomotov, Legal Counsel
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Re: TSX Proposed Amendments to Part X of the TSX Company Manual - Special Purpose Acquisition Corporations (SPAC)

We refer to the publication for public comment of proposed amendments to Part X of the TSX Company Manual relating to SPACs for a 30-day comment period ending on September 15, 2008.

We are in the process of starting up the Foundation and this consultation on SPACs only recently came to our attention. We have not had sufficient time to fully digest the implications of the SPAC proposal which essentially is an exponential expansion of "blind pools" and Capital Pool Companies ("**CPC**").

Comment Period

As a general rule, it is our view that a 30-day comment period is too short a consultation period for proposals which impact the public interest if one is genuinely interested in public input. We recommend that the consultation period for SPACs be extended to 90 days which in our view should be the standard consultation period in the absence of some urgency or need for timely action. We do not see any urgent need to introduce SPACs, a highly speculative and complex product, to the Canadian capital markets.

Public Interest Analysis

It would be preferable if a request for comments included analysis of whether SPACs are in the public interest or in the interests of retail investors and whether they enhance or detract from confidence in the integrity of the Canadian capital markets. In terms of information, we would find it useful if the public consultation on SPACs would include further information and analysis including:

1. The proposal should include an analysis of the "need" for SPACs in the Canadian capital markets. We see "need" being different from the desire of promoters to create and list these "blind pools" on the TSX. Historically major fund raisings have been conducted by an existing business via the IPO prospectus process and the concept of "full, true and plain" disclosure. It is our understanding that the Canadian securities regulators determined some time ago that public offerings of

"blank cheque" or "blind pool" companies were not in the public interest as "full, true and plain disclosure" could not be made at the time of the fund raising given the absence of any business. We understand that an exception was made for relatively small financings for CPCs. The TSX proposal involves an exponential expansion of the "blind pool" concept beyond the CPC exception and an abandonment of the long standing position of the Canadian securities regulators. There is an inadequate discussion of the public policy implications of SPACs and how you have come to the conclusion that major public financings need no longer go through the traditional IPO prospectus process.

2. In order to inform the public interest analysis, should the TSX undertake an analysis of how individual investors have fared under SPACs in the U.S. and under CPCs in Canada? We know that the founders, promoters, and investment bankers have done well financially through SPACs and CPCs. What has been the experience of retail investors?

Preliminary Comments on Part X

We have some preliminary thoughts on the proposed Part X of the TSX's SPAC proposal.

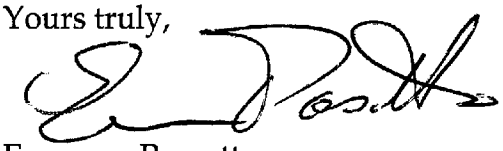
1. As a general comment, in structuring SPACs it is vital to ensure that the interests of the founders, promoters and investment bankers are aligned with the interests of public shareholders. This might be achieved by requiring that any "cheap stock" be held for a minimum of 12 months after completion of the qualifying transaction and then released in 3 tranches over a 3-year period. As an alternative, stock options could be used to reward the founders at the IPO price for up to 10% of the shares outstanding after the IPO. The stock options could vest over a 3-year period from the date of the qualifying transaction.

2. In light of the ABCP crisis in Canada and the heightened concerns about product suitability, the TSX and CSA should give careful thought as to whether this is a suitable product for retail investors. Has the TSX consulted the Joint Committee on Product Suitability and, if so, what are the views of the Joint Committee on the SPAC proposal? Our preliminary view is that SPACs should only be permitted to be sold to accredited investors.

3. Part X proposes that a minimum of 90% of the gross proceeds raised in the IPO be put in trust. Why should the TSX not require that 100% of funds raised (less

expenses including expenses for a qualifying transaction) be held in trust?

Yours truly,



Ermanno Pascutto
Executive Director
CANADIAN FOUNDATION FOR ADVANCEMENT OF INVESTOR RIGHTS

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cc: Ms. Susan Greenglass, Manager, Market Regulation
Ontario Securities Commission