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8TH DISTRICT, ILLINOIS

COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON FINANCIAL INSTITUTIONS
AND CONSUMER CREDIT
SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE,
AND GOVERNMENT-SPONSORED ENTERPRISES
COMMITTEE ON SMALL BUSINESS
SUBCOMMITTEE ON FINANCE AND TAX
SUBCOMMITTEE ON REGULATIONS AND HEALTHCARE

Congress of the United States
House of Representatives
Washington, DC 20515-1308
May 20, 2010

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The Honorable Mary Shapiro
Chairman, Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chairman Shapiro,

Thank you for your May 11th testimony before the House Committee on Financial Services to discuss the abnormal events that occurred in the stock market on May 6th. I want to commend you for your immediate and continuing actions after this unprecedented market volatility, in which over \$1 trillion in market value was lost in a matter of minutes.

One of the apparent shortcomings of the Securities and Exchange Commission (SEC), which was acknowledged by you and many market participants, was the inability for the SEC to immediately access information about the trades that took place on May 6th. It is my understanding that despite cooperation from the exchanges and other market platforms, the SEC has still not been able to collect and analyze all the trade data from May 6th. This is unacceptable. In comparison, the Commodity Futures Trading Commission (CFTC) reported to the Committee that it had comprehensive data on all future contracts traded on every exchange on May 6th by the end of that same day.

In your testimony, you indicated that the SEC is working to fix this problem by establishing a consolidated audit trail that would require all trades to be reported in a standardize format that would be transferred in a timely fashion to the SEC regardless of where they are traded. Further, it is my understanding that the SEC will be meeting on May 26th to discuss moving forward on this topic.

I strongly urge you and the Commission to expedite consideration and implementation of a rule to require all trades to be reported in a standardized format that will be accessible by the SEC at the end of each trading day. Giving the SEC this timely trade information will create parity between the reporting requirements in the CFTC regulated futures market and give the SEC the tools it needs to understand the next market abnormality and other micro-level market trends.

Thank you for your service at the SEC and your attention to this matter.

Sincerely,

Melissa L. Bean
U.S. Representative (IL-08)

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