
October 27, 2010

VIA ELECTRONIC MAIL (rule-comments@sec.gov)

Elizabeth M. Murphy
Secretary, Securities and Exchange Commission
100 F. Street NE
Washington, DC 20549-1090

**RE: *File No. 265-26; Joint CFTC-SEC Advisory Committee
SIFMA Proposal to Prevent Price Swings Due to Liquidity Gaps***

Dear Ms. Murphy:

TD Ameritrade, Inc.¹ (“TD Ameritrade” or “the Firm”) is submitting this letter in support of SIFMA’s proposal to prevent price swings in the equities markets. In its October 12, 2010 letter to the Joint CFTC-SEC Advisory Committee, SIFMA advocates a hybrid approach to limiting destabilizing price moves and preserving fair and orderly markets. Specifically, SIFMA proposes the use of 10% limit up/limit down price bands, the establishment of a mechanism for alerting market participants of the need for additional liquidity and trading halts.

While necessary as an interim measure, the circuit breaker structure currently in place in the equities markets are an inelegant solution to the complex market structure issues highlighted by the market events of May 6th. In fact, the circuit breakers have lead to some well-publicized false halts due to erroneous prints. TD Ameritrade fully supports SIFMA’s hybrid approach because it provides a mechanism for reducing destabilizing price moves by limiting price movements and providing notice to market participants for the need of liquidity *before* resorting to a trading halt.

While supporting such a hybrid approach, the Firm, however, strongly believes that such a mechanism must be rolled out across markets and across all NMS stocks in conjunction with the current trading halts. Additionally, the Firm strongly recommends that trading halts operating in conjunction with limit up/limit down should commence at 9:30 EST, or as soon as practical after market opening rather than the arbitrary 9:45 EST timeframe.

¹ TD Ameritrade is a wholly owned broker-dealer subsidiary of TD Ameritrade Holding Corporation (“TD Ameritrade Holding”). TD Ameritrade Holding has a 35-year history of providing financial services to self-directed investors. TD Ameritrade Holding’s wholly owned broker-dealer subsidiary, TD Ameritrade serves an investor base comprised of over 5.4 million funded client accounts with approximately \$332 billion in assets. During the month of August 2010, the Firm averaged a total of 309,000 client trades per day.

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Limit up/limit down already exists in the futures markets, and, as a result, any such market mechanism must be rolled out simultaneously in the both the equities and options markets. The Joint CFTC-SEC report on the May 6th market break highlighted how interconnected the equities, options and futures markets have become. Based on this, the Firm recommends that any new hybrid mechanism must be rolled out across the markets as soon as possible.

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The Firm appreciates the opportunity to submit its views concerning the SIFMA proposal. Please contact me at 402.970.5656 if you have any questions regarding our comments.

Sincerely,

/S/

Chris Nagy
Managing Director, Order Routing Strategy