



March 26, 2010

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

RE: File No. S7-03-10 Release 34-61379

Dear Ms. Murphy:

Sun Trading LLC ("Sun") appreciates the opportunity to comment on the Commission's proposed Rule 15c3-5. Sun is a registered broker-dealer, a member of most securities and commodity exchanges, and a participant in several Alternative Trading Systems ("ATS"). Sun is also a registered market maker and liquidity provider to most exchanges and many ATSS.

While Sun supports the general objectives of proposed Rule 15c3-5, we would like to address certain elements of the proposed Rule that, if modified from their current form, would benefit the market place and investing public alike. In particular, the Commission has asked if there are access arrangements that warrant different requirements and, if so, which ones, and why. It is to this question that Sun would like to direct its comments.

We agree with the Commission's view that various financial and regulatory risks that arise from naked market access arrangements may not be appropriately and effectively controlled by all broker-dealers. However, we note that exchange member broker-dealers with their own market connectivity subject themselves to the same requirements proposed in Rule 15c3-5 and are in a better position than a sponsoring firm to control orders and market risk. Further, we believe MPID should not be the sole deciding factor in determining legal responsibility for market activity.

As the Commission notes, naked sponsored access given to non-exchange members or non-broker-dealer customers of a broker-dealer, without appropriate controls over such activity, creates overall market risk and instability. These types of unregulated or lightly regulated market participants are not subject to the rigors of exchange and broker-dealer regulation. In contrast, exchange member broker-dealers are subject to the direct oversight of their Self-Regulatory Organization, the SEC, and the exchanges of which they are a member. Their trading activity and their financial and operational controls are regularly examined and, if proven unacceptable, may be subject to disciplinary action.

Rule 13c3-5 requires broker-dealers with access to trading directly on an exchange or ATS to implement risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory and other risks of this business activity. While we support such controls and procedures as a general matter, an important distinction should be drawn between exchange member broker-dealers with such access and other market participants. Exchange member broker-dealers are required by regulation to have the same controls over their trading, operational and financial risks that are addressed in Rule 15c3-5. Members invest heavily in such controls and procedures and routinely conduct tests of their systems to ensure that their procedures and controls are working properly, both for the protection of their own enterprise and in order to satisfy regulatory requirements.

We believe that these highly regulated exchange member broker-dealers are in the best position to manage their global market risk. Giving such control to a particular sponsoring firm that may only have insight into a firm's trading on a few markets could, contrary to the intent of Rule 13c3-5, increase overall market risk and instability. Exchange member broker-dealers are increasingly conducting their trading across multiple exchanges, trading venues, and asset classes and, as a result, are in the best position to manage their own orders and risk.

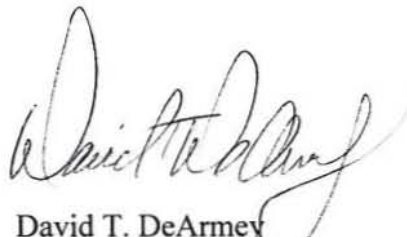
The Commission also notes in the proposed Rule that the broker-dealer with market access is legally responsible for all trading activity that occurs under its MPID. However, we believe that an MPID should not be the sole determining factor for assigning financial and regulatory responsibility. Rather, an exchange or regulatory body should be able to look to the sponsored member broker-dealer as the initiator of the orders and the party with ultimate responsibility for its own market activity.

We respectfully encourage the Commission to modify Rule 15c3-5 in order to allow market centers and participants the ability to place the controls in the hands of those exchange member broker-dealers in the best position to employ them and to allow responsibility for trading activity to reside directly with the member originating the orders and conducting the trading. We appreciate the opportunity to provide these comments.

Sincerely,



Kevin Cuttica
Chief Executive Officer



David T. DeArmey
Chief Operating Officer