

FINANCIAL INFORMATION FORUM

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New York, New York 10004

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July 21, 2010

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

Re: File No. SR-NASDAQ-2010-076, SR-NYSE-2010-47, SR-ISE-2010-62, SR-NSX-2010-07,
SR-NYSEAmex-2010-60, SR-CHX-2010-13, SR-EDGA-2010-03, SR-EDGX-2010-03, SR-
BATS-2010-016, SR-FINRA-2010-032, SR-BX-2010-040

Dear Ms. Murphy,

The Financial Information Forum (FIF)¹ would like to take this opportunity to comment on the proposed rule changes by the national securities exchanges and FINRA governing clearly erroneous executions, e.g., SR-NASDAQ-2010-076. The NASDAQ filing notes that the rule changes described therein are being made "in consultation with other markets and Commission staff to provide for uniform treatment: (1) of clearly erroneous execution reviews in Multi-Stock Events involving twenty or more securities; and (2) in the event transactions occur that result in the issuance of an individual stock trading pause by the primary market and subsequent transactions that occur before the trading pause is in effect on NASDAQ.

FIF agrees that uniform post-trade treatment of erroneous executions is desirable and wherever possible it would be preferable to prevent orders that are clearly erroneous from being executed in the first place. To this end, broker-dealers are required to have systems and procedures in place designed to prevent the entry of orders entered in error. FIF does not dispute that broker-dealers should have such systems and procedures in place but believes it would be even more beneficial if national security exchanges were similarly obligated to validate the orders they receive and reject those that would result in clearly erroneous transactions if executed. FINRA could similarly reject trade reports that would result in clearly erroneous transactions.

¹ FIF (www.fif.com) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the financial technology industry across the order lifecycle. Our participants include trading and back office service bureaus, broker-dealers, market data vendors and exchanges. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

The Commission and others are justifiably concerned that clearly erroneous executions can trigger individual stock trading pauses. FIF believes that the best way to address this issue is for national securities exchanges and FINRA to implement order and trade validation mechanisms designed to reject orders and trades that are materially away from the market such that they would trigger trading pauses and result in clearly erroneous transactions. These checks would supplement the procedures in place by broker-dealers designed to prevent the entry of erroneous orders and trades and would have the advantage of being uniformly and consistently applied at the SRO level, preventing individual trading pauses from being triggered as a result of clearly erroneous trades. FIF therefore encourages the Commission to work with the national securities exchanges and FINRA to implement these kinds of validations.

Sincerely,

A handwritten signature in black ink that reads "Manisha Kimmel". The signature is written in a cursive style with a large initial 'M' and 'K'.

Manisha Kimmel
Executive Director, Financial Information Forum
On behalf of the FIF Front Office Committee