

MEMORANDUM

TO: File Nos. SR-BatsBYX-2017-11; SR-BatsBZX-2017-38; SR-BatsEDGA-2017-13; SR-BatsEDGX-2017-22; SR-BOX-2017-16; SR-BX-2017-023; SR-C2-2017-017; SR-CBOE-2017-040; SR-CHX-2017-08; SR-FINRA-2017-011; SR-GEMX-2017-17; SR-IEX-2017-16; SR-ISE-2017-45; SR-MIAX-2017-18; SR-MRX-2017-04; SR-NASDAQ-2017-046; SR-NYSE-2017-22; SR-NYSEArca-2017-52; SR-NYSEMKT-2017-26; SR-PEARL-2017-20; SR-PHLX-2017-37

FROM: Leigh Duffy
Division of Trading and Markets

RE: Telephone Conference with OTC Markets Group Inc.

DATE: June 29, 2017

On June 29, 2017, staff from the Division of Trading and Markets (Gary Goldsholle, Deputy Director; David Shillman, Associate Director; David Hsu, Assistant Director; Erika Berg, Special Counsel; and Leigh Duffy, Special Counsel) spoke by telephone with R. Cromwell Coulson (President and CEO) and Daniel Zinn (General Counsel) of OTC Markets Group Inc. regarding the CAT Industry Member fee filings.

OTC Markets Group Inc. representatives distributed the attached document, which was discussed during the call.

Share Volume Data Skew by Low Priced OTC Securities

Below is the share volume breakdown of Link ATS Trading that shows the breakdown by share price

Q1 2017 Link Volume							Avg Trade Size
Price	Trades	% of Trades	Volume	% of Volume	Notional	% of Notional	
< .01	447,593	14.95%	260,639,545,832	92.75%	\$240,089,285	1.86%	582,314
>= .01 < \$1	886,658	29.61%	19,194,227,602	6.83%	\$1,336,047,616	10.35%	21,648
>= \$1	1,659,885	55.44%	1,187,900,843	0.42%	\$11,332,868,090	87.79%	716
Total	2,994,136	100%	281,021,674,277	100%	\$12,909,004,991	100%	

CAT Message Usage Estimate

this is based on q1 Data. Last column shows multiple vs. OTC Link ATS. (Since we did not have trade to cancel ratio's for all exchanges we estimated it at 20 if we did not have data)

Month	Market Participant	Total Shares	Total Notional	Total Trade Count	Est Cancel to Trade Ratio	Total Events	Multiple of OTC Use
Q1 2017	BATS BYX (Y) Total	18,567,878,110	\$622,645,661,098	149,772,944	13.29	1,990,067,592	150
Q1 2017	BATS BZX (Z) Total	25,373,727,524	\$1,048,451,179,216	184,592,474	22.55	4,161,894,856	313
Q1 2017	CHX (M) Total	1,810,252,138	\$130,894,835,400	714,558	117.15	83,713,506	6
Q1 2017	EDGA (J) Total	9,726,432,288	\$353,744,677,202	73,416,108	13.75	1,009,109,145	76
Q1 2017	EDGX (K) Total	27,757,355,880	\$1,045,139,864,092	162,541,871	12.56	2,040,942,163	154
Q1 2017	IEX (V) Total	8,526,629,653	\$363,217,808,667	48,355,665	20.00	967,113,300	73
Q1 2017	NASDAQ (DQ) Total	147,782,844,994	\$5,410,959,851,885	421,578,996	20.00	8,431,579,920	634
Q1 2017	NASDAQ (Q) Total	59,479,808,782	\$2,700,112,187,109	407,053,220	18.21	7,410,795,146	557
Q1 2017	NASDAQ BX (B) Total	11,370,867,055	\$440,425,567,109	102,210,813	11.03	1,127,483,533	85
Q1 2017	NASDAQ PSX (X) Total	3,889,865,602	\$165,726,118,883	25,774,737	39.97	1,030,290,970	78
Q1 2017	NSX (C) Total	21,988,449	\$1,031,362,524	131,395	27.57	3,622,825	0
Q1 2017	NYSE (DN) Total	13,488,754,603	\$471,128,603,043	30,501,985	20.00	30,501,985	2
Q1 2017	NYSE (N) Total	54,792,481,620	\$2,078,842,712,397	166,854,918	20.00	3,337,098,360	251
Q1 2017	NYSE Arca (P) Total	40,747,950,282	\$1,883,588,802,286	207,167,834	23.01	4,767,453,985	359
Q1 2017	NYSE MKT (A) Total	910,509,763	\$5,060,370,698	1,522,511	20.00	30,450,220	2
Q1 2017	NMS Total	424,247,346,743	\$16,720,969,601,609	1,982,190,029		36,422,117,506	2,740
Q1 2017	ORF Total	714,060,438,523	\$64,223,306,713	9,959,740		9,959,740	
Q1 2017	Equity Total	1,138,307,785,266	\$16,785,192,908,322	1,992,149,769		36,432,077,246	
Q1 2017	Link Messages	281,021,674,277	\$12,909,004,991	2,994,136		9,160,544	
Q1 2017	Link Quotes accessed by Trade messages					4,132,948	
Q1 2017	Link Total					13,293,492	
						0.0365%	

*Used 20 for Unknown CtT Ratio