

*September 12<sup>th</sup>, 2011*

*Via Email and First Class mail*

Ms. Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

**Re: SR-BOX-2011-046 (“BOX Proposal”)**

Dear Ms. Murphy:

TD Ameritrade, Inc.<sup>1</sup> (“TD Ameritrade” or “the Firm”) appreciates the opportunity to comment on the above referenced fee change to increase the credits and fees in the Price Improvement Period (“PIP”) of the Boston Options Exchange Group, LLC, (“BOX”) as of August 1, 2011. TD Ameritrade is a strong proponent of market structures that are designed with retail investors in mind and in this regard the Firm applauds the BOX Proposal. The Firm has already seen significant benefit to its retail investors.

As the Securities and Exchange Commission (the “Commission”) is aware, the Firm believes the price improvement opportunity offered by the PIP plays a critical role in the options markets today. BOX, through its Proposal in connection with the PIP, seeks to improve transparency in the marketplace by structuring its fees and credit incentives to continue to provide as much benefit as possible to customer orders through price improvement. TD Ameritrade applauds the BOX Proposal and believes the BOX fee structure provides incentives for market participants to submit customer order flow to BOX and thus, continues to create a greater opportunity for retail customers to receive additional price improvement.

The Firm’s trading data for trades executed on the BOX in August 2011 demonstrates that the Proposal does provide greater price improvement opportunities for retail customers. TD Ameritrade clients received over \$600,000 in price improvement over the prevailing national best bid or offer (“NBBO”). TD Ameritrade believes this customer experience on the BOX strongly indicates that healthy and robust competition exists within the PIP. Simply, if there was no competition, customer orders would be executed at the NBBO. In fact, competition by firms

---

<sup>1</sup> TD Ameritrade is a wholly owned broker-dealer subsidiary of TD Ameritrade Holding Corporation (“TD Ameritrade Holding”). TD Ameritrade Holding has a 36-year history of providing financial services to self-directed investors. TD Ameritrade serves an investor base comprised of over 5.5 million funded client accounts with approximately \$400 billion in assets. During August 2011, the Firm averaged a total of 484,000 client trades per day.

Ms. Elizabeth M. Murphy

June 30, 2010

Page 2

ving to trade with the Firm's customer order flow creates the resulting price improvement. TD Ameritrade believes the BOX PIP fee structure outlined in the Proposal benefits the Firm's retail customer orders and TD Ameritrade supports the BOX maintaining its fees and credits at their current levels.

TD Ameritrade also notes that the Commission should recognize that price improvement opportunities in the options markets are not transparent and easy to compare from exchange to exchange. As a result, it is easy to criticize one program or another due to the lack of market-wide price improvement metrics available to firms conducting regular and rigorous review of options exchanges pursuant to their best execution responsibilities. The Firm, therefore, recommends again that the benefits brought to the equity marketplace through Rule 605 of Regulation NMS be adopted in the options markets. TD Ameritrade notes that the BOX makes a significant amount of information about PIP transactions and price improvement publicly available on its website. The Firm would encourage other options exchanges to make public their price improvement metrics as the BOX does.

\* \* \* \* \*

The Firm supports the BOX Proposal and urges the Commission not to initiate disapproval proceedings. TD Ameritrade appreciates the opportunity to comment. Please feel free to contact me at 402-970-5656 with any questions regarding our comments.

Respectfully Submitted,

/S/ Christopher Nagy

Christopher Nagy  
Managing Director Order Strategy  
TD Ameritrade

cc: Heather Seidel, Associate Director, Division of Trading and Markets  
David Hsu, Assistant Director, Division of Trading and Markets