

# HILL, THOMPSON, MAGID & CO., INC.

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July 15, 2008

rule-comments@sec.gov

Florence E. Harmon  
Acting Secretary  
Securities and Exchange Commission,  
100 F Street, NE.  
Washington, DC 20549-1090

Re: Release No. 34-57986; File No. SR-FINRA-2008-016  
Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change  
to Align the Reporting Requirements and Dissemination Protocols for OTC Equity  
Transactions Involving Foreign Securities with All Other OTC Equity Securities

Dear Ms. Harmon:

Hill, Thompson, Magid & Co., Inc.<sup>1</sup> (“Hill”) appreciates the opportunity afforded by the Securities & Exchange Commission (the “Commission”) to comment on the Financial Industry Regulatory Authority, Inc. (“FINRA”) Notice of Filing of Proposed Rule Change to Align the Reporting Requirements and Dissemination Protocols for OTC Equity Transactions Involving Foreign Securities with All Other OTC Equity Securities.<sup>2</sup>

Hill fully supports FINRA’s initiative to provide equality of market transparency to domestic and foreign OTC securities through rule and protocol changes enabling real time trade reporting and dissemination for OTC foreign securities, ADRs and Canadian securities. Hill concurs with the Staff that this may best be accomplished by eliminating the exemption provided foreign securities from the 90 second trade reporting requirement of Rule 6620<sup>3</sup> with corresponding amendment to the trade dissemination protocols to

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<sup>1</sup> Hill, Thompson, Magid & Co., Inc. is a wholly owned subsidiary of the Royal Bank of Canada (“RBC”). RBC is one of North America’s leading diversified financial services companies serving more than 14 million personal, business, public sector and institutional clients through offices in North America and 34 countries around the world.

<sup>2</sup> Release No. 34-57986; File No. SR-FINRA-2008-016 and Amendment No. 1 dated June 12, 2008

<sup>3</sup> FINRA Rule 6620 Transaction Reporting

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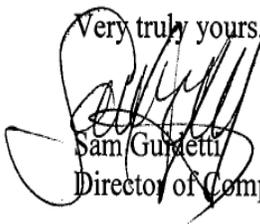
effect real time publication of transaction data for both domestic and foreign equity securities.

Real-time foreign equities reporting and dissemination will provide the liquidity and execution transparency necessary to generate and support investor confidence in the domestic markets. Transparency of liquidity enables investors to make informed routing decisions to domestic venues for orders in foreign equities with the confidence that there is sufficient depth of market to insure timely cost effective executions. The ability to measure the executions received against all trades executed in the market place during the time their order is active increases investor comfort that there is available in real-time the necessary information to effectively monitor for best execution.

Aligning the transparency for foreign equities with that of domestic equities meets with the Commission's efforts toward uniform global securities regulation. Providing domestic transparency for foreign equities enhances the competitive stance of domestic markets in an increasingly global marketplace<sup>4</sup> and recognizes the growth of U.S. investment in foreign equities.<sup>5</sup>

For the above stated reasons, Hill recommends the Commission approve FINRA's proposal to Align the Reporting Requirements and Dissemination Protocols for OTC Equity Transactions Involving Foreign Securities with All Other OTC Equity Securities.

We appreciate your consideration of these views, and would be pleased to discuss them further with you.

Very truly yours,  
  
Sam Guzzetti  
Director of Compliance

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<sup>4</sup> The U.S. share of world market capitalization in 1970 was 66%. As of 2007 the U.S. world market share was 47%. Projected 2036 U.S. world market share is 24%. World market capitalization: Past and Present Data as of December 31, 2007. <http://www.vankampen.com/vksite/pdf/sma/intlgrowthpitchbook.pdf>

<sup>5</sup> U.S. Investment in foreign Equities, ADR and Local Shares, has risen from \$19 billion in 1980 to 3.3 trillion in March 2006. Source: U.S. Federal Reserve Board