MONROE SECURITIES

April 6, 2010

As previously commented in a letter dated September 16, 2009, we oppose the application of the Customer Limit Order Display Rule to OTC markets. If the Commission decides to adopt this rule, we respectfully request that the "block size" definition for OTC securities be an order that is (i) of at least 10,000 shares **or** (ii) has a market value of at least $100,000.

In a thinly traded market, the presence of a sizeable customer order affects the pricing strategy of each market maker and can act to weaken the pricing leverage of the customer order. The broadcasting of the existence of the large order via the Limit Order Display Rule can thus weaken the pricing leverage of the customer. In effect, the displaying of the order may well scare away bids or offers, since in thinly traded markets, many bids and offers are at risk quotes by market makers which are risking their own capital.

Regulation NMS wisely recognizes this issue by creating a "block size" exemption. However, the new proposed definition of "block size" is designed for penny stocks only, since it requires a minimum of 10,000 shares regardless of the price of the shares.

There are thousands of stocks that trade over-the-counter which are not penny stocks. They too could benefit from the "block size" exemption, but 10,000 shares is simply too large of an order.[1] An exemption for OTC securities for a "block size" of 10,000 shares **or** $100,000 in market value would solve this problem.

Sincerely,
Daniel Kanter, President

Craig Carlino, Chief Compliance Officer

[1] For example, Farmers and Merchants Bank of Long Beach (FMBL) has approximately 131,000 shares outstanding, and it trades for approximately $4,000 per share. An order of 7,000 shares in this security would represent about $28 million in market value, over 5% of the shares outstanding, and under the proposed definitions, would still not be afforded "block size" treatment. Displaying an order of this magnitude would certainly disrupt the markets.

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