

September 16, 2009

Florence H. Harmon  
Deputy Secretary  
Securities and Exchange Commission

VIA Email: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: Release Number 34-60515  
File Number SR-FINRA-2009-054

Dear Ms. Harmon:

StockCross Financial Services, Inc. would like to comment on the above proposed Rule Changes, which extend certain NMS provisions to OTC equity securities.

StockCross values the efforts of the Commission to standardize relevant aspects of the trading process, minimize investor confusion, and regulate costs. Given the magnitude of these issues, we have reviewed the matter in detail and given substantial consideration to the proposed rules and their consequences.

We have concluded, respectfully, that we strongly oppose the intended changes on several grounds.

The proposal to establish, mandate or enforce any minimum order size or acceptance is demonstrably anti-competitive by seeking to impose a “one-size fits all” standard on securities and transactions which, as has been consistently evident, are more efficiently handled when the experience and judgment of market participants and their customers are allowed to be exercised. The proposal to mandate display comparably infringes upon that expertise and the nature of any free market enterprise; moreover, a regulation which was designed primarily to facilitate automated, electronic trading in NMS stocks does not enhance the efficiency of the full scope and spectrum of all equities within the OTC Marketplace. We believe that the Commission’s concern about “an increase in the incidence of market participants stepping ahead of standing limit orders for an economically insignificant amount” (I,b) is not valid. Although ‘stepping ahead’ may occur, there is no legitimate reason why market participants should not be allowed to compete in a free market. Additionally, the determination as to what constitutes an

‘economically insignificant amount’ is entirely subjective and open to a multitude of varying interpretations. We firmly believe that legitimate prices are established in the course of trade in a free and open marketplace rather than as a result of mandate.

The proposal to permit alternative trading systems and/or Electronic Communication Networks to charge access fees, yet not incorporate those fees, into their quotes is contrary to the best interests of the investor and, simultaneously, puts market participants in a competitively disadvantaged position. The prices quoted by alternative trading systems and Electronic Communication Networks under this provision would be misleading to the public, and therefore contrary to the universally accepted goals of disclosure and of market transparency. Market Participants interacting in response to a displayed quotation, would face the equally undesirable choices of passing fees on to the customer or pay the fees themselves post trade. Either resolution is competitively disadvantageous.

The proposal to prohibit the submission of locking or crossing quotations is unlikely to actually prevent the occurrence of locked or crossed markets. Reasonable efforts to avoid locking or crossing the market are already expected of all market participants and should continue to be made the responsibility of all market participants. An attempt to avoid access fees might subvert these efforts, and over-cautious attention to quote entry due to concerns regarding fines and regulatory sanctions may inhibit the free flow of investment activity and the pricing and acceptance of customer orders. We are confident that honorable behavior on the part of market makers, coupled with reasonable, consistent regulatory scrutiny is a more effective and fair means of controlling abuse.

We appreciate your attention to our concerns, and again take this opportunity to express our strong objections to all proposals.

Thank you.

Sincerely,

Elaine M. Kaven  
Chief Compliance Officer

Cc: Nicholas DeMaria