September 16, 2009

Ms. Elizabeth M. Murphy
Secretary
Office of the Corporate Secretary
U.S. Securities and Exchange Commission 100 F Street, N.E. Washington, D.C. 20549-1090

Re: SR-FINRA-2009-054 (SEC Release No.34-60515) Proposed rule change to adopt FINRA Rules 6434 (Minimum Pricing Increment for OTC Equity Securities), 6437 (Prohibition from Locking or Crossing Quotations in OTC Equity Securities), 6450 (Restrictions on Access Fees) and 6460 (Display of Customer Limit Orders)

Dear Ms. Murphy,

I appreciate the opportunity to comment on the above proposed rule changes to OTC equity securities. I respectfully oppose the intended changes to the OTC market place.

The pure nature of the OTC market place is significantly different from the market for listed securities. The provisions that work in the National Market System with Reg. NMS would not work in the OTC market place. The securities that trade on the OTC are thinly traded issues. The displaying of a sizeable customer order will affect the way competing market makers will react to the market in contrast to just a tier size adjustment by a competitor. FINRA's proposal seems well intended but is very likely to hurt retail investors and institutional investors looking to take on sizeable positions in thinly traded stocks.

FINRA has proposed prohibiting sub-penny quoting in a matter similar to what the SEC adopted for NMS stocks under Regulation NMS. FINRA's proposal states that sub-penny pricing will promote greater transparency and consistency. We believe that securities traded in sub-penny increments have traded efficiently for decades.

There are already reasonable efforts by market participants to avoid locking or crossing markets. Attempting to avoid paying access fees (i.e. ARCA) is probably the most prevalent reason why market participants lock the market. FINRA's proposal to prohibit the locking or crossing of markets is unlikely to actually prevent it.

I am opposed to non-subscriber access fees. Regulation NMS is tolerable only because all market participants are permitted to charge access fees and because the amount of those fees is limited. While the Proposal would similarly limit the amount of access fees that a firm would be permitted to charge we believe that access fees generally are harmful to markets. This is especially the case in the market for OTC equity securities, which is characterized by relatively infrequent trading, as compared to the market for most NMS securities. I disagree with anyone's business model requiring access fees. Market Makers have operated successfully without charging access fees. A business model that depends for its viability on collecting fees from persons who are not its customers will not have my support.

Sincerely,

William Assatly
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