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February 4, 2010

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**Re:** Comments to Securities Exchange Act Release No. 60999  
(File No. SR-FINRA-2009-077)

Dear Ms. Murphy:

The STA appreciates the opportunity to comment on the proposal filed by the Financial Industry Regulatory Authority ("FINRA") to establish a Quotation Consolidation Facility ("QCF").

FINRA is proposing to "create a QCF for OTC Equity Securities for regulatory and transparency purposes that would serve as a data consolidator for all quote data in the over-the-counter equity market." The proposal would require all market makers to provide FINRA with all over-the-counter quotations. FINRA proposes to distribute these as a consolidated quote data stream and charge broker/dealers a monthly fee to receive the data. They also propose charging a fee for the posting of quotes on the system but against which firms cannot execute.

STA opposes the FINRA proposal because it is not necessary. There exists a private facility providing all required information on an economically sound basis. This proposal fails to demonstrate either the need or requirement for such facility. We cannot see any increased value or increase in protection for investors, or regulators, and, at the same time, this proposal comes with very substantial cost increases to all participants which will be passed on to investors either implicitly or explicitly.

There already is, as a practical matter, a consolidated quotation system. Pink Quote is the *de facto* consolidated quotation facility as a result of its own initiative to offer services to customers. Pink Quote currently merges OTCBB quotes with its own quotes, i.e. creates a consolidated quotation feed. This information is made available to investors, market participants and regulators. Pink Quote publishes a consolidated NBBO in securities that are dually-quoted in the OTCBB and requires vendors that purchase market data from it to consolidate quotations from Pink Quote and the OTCBB. FINRA's proposal would be unlikely to significantly increase the transparency of quotation information.

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Toronto  
Vancouver Security Traders Association  
Security Traders Association of Wisconsin

*Dictum Meum Pactum*

Nor does STA believe that FINRA needs to be the quote consolidator for regulatory purposes. FINRA meets its regulatory responsibilities towards Pink Quote today by making use of the quote information already provided to it by that company. Pink OTC makes all of the market data generated by its inter-dealer quotation system available to FINRA as its reporting agent for all its broker dealer customers. This is done without charge to FINRA and pursuant to the requirements of existing FINRA Rule 6330.

This is certainly a cost effective demonstration of industry self regulation that is unlikely to be improved by the imposition of a second system for which fees will be create incremental costs for all investors.

Additionally, the STA is concerned over the potential for the FINRA proposal to fragment market information to the detriment of investors. Market maker firms may limit their generation of quotes or the necessity to follow them by reducing the number of securities in which they make markets to avoid the proposed FINRA fee. Fewer market makers means a loss of trading capital being available to the market, leading to less liquidity, more volatility, wider spreads, less transparency, poor executions and in general a degradation of the market for the securities in question.

STA believes that at a minimum FINRA's proposal is premature. In the future, if additional OTC quotation services are developed that create competing data streams that are not being adequately displayed and dispersed to investors, it may be necessary for the SEC to consider whether additional quote consolidation and the creation of a Quote Consolidation Facility is necessary. Applications may be made at that time and commented upon in the regular way proposed regulations are adopted. Presently, investors are at no disadvantage in obtaining consolidated quotes from Pink Quote or other commercial vendors that make consolidated quote information, i.e. OTCBB and Pink Quote, data available to them.

For these reasons, STA believes the application of FINRA should be rejected.

Sincerely,



Brett F. Mock  
Chairman



John C. Giese  
President and CEO

cc: SEC Chairman Mary L. Shapiro  
SEC Commissioner Kathleen L. Casey  
SEC Commissioner Elisse B. Walter  
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SEC Commissioner Troy A. Paredes  
Tom Gira, Executive Vice-President, FINRA  
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