

June 3, 2010

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

RE: **Proposed Rule Establishing Trading Halts for Individual Stocks:** Release No. 34-62125 File No. SR-ISE-2010-48; Release No. 34-62129, File No. SR-NASDAQ-2010-061; Release No. 62122, File No. SR-EDGA-2010-01; Release No. 34-62126, File No. SR-NYSE-2010-39; Release No. 34-62133, File No. SR-FINRA-2010-25; Release No. 34-62127, File No. SR-NYSEAmex-2010-46; Release No. 34-62121, File No. SR-BATS-2010-014; Release No. 34-62124, File No. SR-BX-2010-037; Release No. 34-62132, File No. SR-CBOE-2010-047; Release No. 34-62130, File No. SR-CHX-2010-10; Release No. 34-62123, File No. SR-EDGX-2010-01; Release No. 34-62131, File No. SR-NSX-2010-05.

Dear Ms. Murphy:

TD AMERITRADE, Inc.<sup>1</sup> (“TD AMERITRADE” or “the Firm”) commends the Securities and Exchange Commission (“Commission”) for taking steps to restore investor confidence following the market events that occurred on May 6<sup>th</sup>, 2010 and, therefore, strongly supports the above referenced exchange proposals, which seek to pause trading on Standard and Poor’s 500 Index (“S&P 500”) securities that experience a price change of 10% or more during a five-minute period.

As an initial matter the Firm believes that the trading halts commence at 9:45 am is unacceptable. The Firm notes that it processes a large number of trades from retail clients that execute at market open<sup>2</sup> each day. The Firm believes that depriving investors of the protections recommended by the proposals is inconsistent with Section 11A(a)(1) of the Securities Exchange Act of 1934. The Firm believes that trading halts should begin immediately following the opening print of the primary exchange and the opening print should be the baseline rather than the arbitrary time of 9:45 am, as proposed. The Firm also notes that in the event of a trigger trade initiating a halt that the subsequent re-opening process requires further clarification. For example, as proposed and in the event of a significant imbalance, an Exchange may delay the re-opening of the security past the five-minute time-frame. The Firm notes that there is no requirement in the proposals to disseminate a delay in the re-opening process. This lack of information

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<sup>1</sup> TD AMERITRADE is a wholly owned broker-dealer subsidiary of TD AMERITRADE Holding Corporation (“TD AMERITRADE Holding”). TD AMERITRADE Holding has a 34-year history of providing financial services to self-directed investors. TD AMERITRADE serves an investor base comprised of over 5.3 million funded client accounts with approximately \$342 billion in assets. During the first quarter of 2010, the firm averaged a total of 379,000 client trades per day.

<sup>2</sup> The Firm notes that 10-15% of its trades on any given day are placed over night to be executed at market open

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could lead to investor confusion and further erode market integrity. In addition, the Firm cautions the Commission of the unintended consequences that may arise from the proposal. For example, would stocks be subject to increased pricing pressure after the trading halt period ends, from 3:35 to 4:00 pm? Therefore, the Firm recommends that the rules be effective during regular market hours.

The Firm notes that the proposals are devoid of policies and procedures for handling trades that occur outside the price movement window and respectfully requests that the proposals contain policies to handle erroneous trades that occur outside the 10% movement. The Firm notes that, in addition, the proposals are not uniform in nature and represent slight variations, which appear seemingly insignificant, but could create confusion to the investing public and create operational issues for brokerage firms. An example would be the difference in order acceptance and handling during a halt period. The Firm therefore requests that all filings be approved on a consistent basis.

The Firm also requests that the Commission examine the possibility of expanding the rule to cover all NMS Securities after the pilot period has expired assuming a successful outcome of the pilot program. The Firm notes that investors have the most confidence in markets that contain uniform operating rules.

The Firm again commends the Commission for taking steps to restore investor confidence in our markets but cautions the Commission that the above proposals attempt to address just one symptom of much broader issues that need to be addressed in a comprehensive fashion to further restore investor confidence.

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TD AMERITRADE appreciates the opportunity to comment. Please feel free to contact me with any questions regarding our comments.

Respectfully Submitted,

/S/

Christopher Nagy  
Managing Director Order Strategy  
TD AMERITRADE