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August 13, 2007

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-2001

Re: **SEC Release No 34-56103**
File No. SR-NASD-2007-039

Dear Ms. Morris:

The Security Traders Association ("STA")¹ appreciates the opportunity to comment on rule proposal SR-NASD-2007-039 filed by the National Association of Securities Dealers, Inc. ("NASD"), currently known, and hereinafter referred to, as the Financial Industry Regulatory Authority, Inc. ("FINRA"). In Release 34-56103, FINRA proposes to delay implementation of certain rule changes approved in SR-NASD-2005-146 until after November 26, 2007. Specifically, FINRA is proposing to delay the approved rule changes that relate solely to the expansion of the scope of NASD IM-2110-2 to OTC Equity Securities and the related deletion of NASD Rule 6541.

The STA supports the proposed expansion of the Manning interpretation to OTC Equity Securities, and agrees with FINRA that the implementation date should be delayed in order to allow firms to make necessary systems changes to ensure the continuation of a fair, liquid, and orderly market.

That said, at the same time, STA urges the Commission to require FINRA to disseminate real-time trade reports in OTC-traded ADRs. The STA has consistently held that the same rules ought to apply to trading in like securities.² The proposed appropriate expansion of Manning without also providing real-time trade reporting for ADRs (the bulk of trading in OTC securities) is inconsistent with the principle which the STA believes ought to drive trading regimes. It is in the interest of investor protection that ADRs trading in the OTC should have the same data dissemination that applies to other securities traded in the OTC.

¹ The STA is a worldwide professional trade organization that works to improve the ethics, business standards and working environment for our members. There are approximately 5,200 members, all engaged in the buying, selling, and trading of securities. Members participate in STA through 28 national and international affiliate organizations and represent the interests of the trading community and institutional investors. The STA provides a forum for our traders, representing institutions, broker-dealers, ECNs, and floor brokers to share their unique perspectives on issues facing the securities markets. They work together to promote their shared interest in efficient, liquid markets as well as in investor protection.

² See STA Special Report: Fulfilling the Promise of the National Market System: August 2003

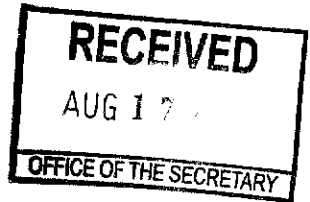
Alabama Security Dealers Association
Boston Security Traders Association
Canadian Security Traders Association
Carolina Security Traders Association
Security Traders Association of Chicago
Cleveland Security Traders Association
Security Traders Association of Connecticut
Dallas Security Traders Association

Denver Security Traders Association
Security Traders Association of Florida
Association Française des Equity Dealers
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The exclusion of the ADRs from the provision of real-time data disadvantages investors. Accurate and timely data is at the heart of the ability to construct and implement an investment strategy. The inconsistent application of the rule to exclude real-time trade reporting in ADRs places both retail investors and institutional investors at risk of making poor investment decisions based on inaccurate information.

In using inaccurate data, broker-dealers risk not meeting their fiduciary responsibility to secure best execution for clients. The expansion of Manning to the OTC will encourage investors to submit limit orders in OTC traded ADRs.

Simply put: absent real-time information, markets, investors, and their broker-dealer representatives are needlessly compromised. Confidence in markets is directly linked to market integrity. Markets with the greatest confidence and integrity are those in which all market participants have access to reliable, accurate and timely data at the same time. The dissemination of real-time ADR data in the OTC market will be a major step in that market's continued move towards the standards that apply in the markets subject to Reg NMS.

The dissemination of this data will not impose an undue burden on FINRA, but will in fact provide for a more robust market. FINRA collects real-time trade reports from broker-dealers for all OTC Equity Securities, including ADRs.³ Except for ADRs, this information is immediately disseminated to the investing public on a real-time basis. In the interest of protecting the investing public, FINRA should make the ADR data available in real-time.

The assertion that the dissemination of this data will encourage trading in unregistered securities is unsustainable, given the fact that FINRA already releases real-time data on unregistered domestic issues. Especially as regards unregistered ADRs, more information, delivered in a more timely way, can only serve to benefit investors.

In addition, as the regulatory environment for securities becomes more global, the Commission may want to demonstrate that the rigorous standards that apply to data dissemination in U.S. securities also apply to foreign securities traded as ADRs.

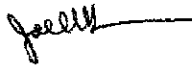
The dissemination of this data should be implemented at the same time as the implementation of the Manning order protection.

We appreciate the opportunity to offer this perspective and look forward to a continuing dialogue with the Commission on this important issue.

Respectfully submitted,



Lisa Utasi
Chairman



John Giese
President and CEO

³ SEC Release 34-55745 (May 11, 2007)(SR-NASD-2007-030) Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Trade Reporting Obligations for Transactions in Foreign Equity Securities.

CC: Chairman Christopher Cox
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Commissioner Roel C. Campos
Commissioner Annette L. Nazareth
Commissioner Kathleen L. Casey
Dr. Erik R. Sirri, Director, Division of Market Regulation

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