



GLOBAL ELECTRONIC TRADING COMPANY

July 3, 2007

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: Comments Regarding NASDAQ Stock Market LLC's Proposal to Modify Order Audit Trail System Rules to Provide an Exemption from Transmission Requirements for Proprietary Orders (SR-NASDAQ-2007-037)

Dear Ms. Morris:

Global Electronic Trading Company ("GETCO")¹ appreciates the opportunity to comment on the Proposal of the NASDAQ Stock Market LLC ("NASDAQ") to modify its Order Audit Trail System ("OATS") rules to provide an exemption from OATS transmission requirements for certain proprietary orders ("NASDAQ Proposal").² GETCO supports the proposal to exempt certain proprietary orders from the OATS transmission requirements, as it believes that the burden of OATS reporting far outweighs the benefits for proprietary orders.

DISCUSSION

The OATS rules were originally implemented to "provide an accurate time-sequenced record of orders and transactions, beginning with the receipt of an order at the first point of contact between the broker-dealer and the customer or counterparty."³ Although the "basis for OATS is customer protection through the transparency of the executions of customer orders,"⁴ proprietary trading firms were required to follow such rules, even though proprietary trading firms do not have any customers.

¹ GETCO, with offices in Chicago, New York and London, is a privately-held, electronic trading firm that provides liquidity to exchanges and Alternative Trading Systems ("ATs") in the US and Europe. GETCO, an early entrant in electronic trading, utilizes automated trading models to trade on various exchanges and ATs.

² See Securities Exchange Act Release No. 55870 (June 6, 2007), 72 FR 32692 (June 13, 2007) (SR-NASDAQ-2007-037) ("NASDAQ OATS Proposal").

³ See Securities Exchange Act Release No. 39729 (March 6, 1998), 63 FR 12559, 12560 (March 13, 1998) (SR-NASD-97-56).

⁴ See NASDAQ OATS Proposal at 32692.

Ms. Nancy M. Morris
U.S. Securities and Exchange Commission
Page 2 of 2

Complying with the OATS data transmission requirements is extremely burdensome and costly for all firms but is particularly onerous for proprietary trading firms, since there is no tangible benefit to such data transmission for proprietary trading firms. Such firms must devote hours upon hours of valuable time, resources and staff in order to ensure that their OATS data transmission is accurate. Since, however, proprietary trading firms do not have customers, such an investment of time, resources and staff essentially goes to waste. If NASDAQ's Proposal is adopted, proprietary trading firms would be able to devote more time and resources to other compliance related functions, rather than to an exercise that results in no benefit to customers or the marketplace. Eliminating the OATS data transmission requirements for proprietary trading firms will permit such firms to devote more time to areas which will be more beneficial to the market as a whole. Moreover, as required by NASDAQ's proposal, GETCO will continue to maintain its OATS data and will expeditiously provide it to any regulator upon request if the proposal is approved by the Commission. Therefore, regulators will still have easy access to the information, but the burden of daily transmission from proprietary trading firms will be alleviated.

CONCLUSION

We believe that eliminating the OATS reporting requirements for proprietary trading firms will eliminate an unnecessary burden on such firms and permit them to better allocate their compliance resources. Since the NASDAQ Proposal would not harm the intended beneficiaries of OATS reporting and would eliminate a large and unnecessary burden placed on certain firms, we encourage the Commission to approve the NASDAQ Proposal and eliminate the OATS data transmission requirements for proprietary trading firms.

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GETCO appreciates the opportunity to submit these comments on the NASDAQ Proposal. If you have any questions, please contact me at 312.242.4600.

Sincerely,



Stephen Schuler
Managing Member
GETCO, LLC