

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In The Matter of:

The Application of SECURITIES INDUSTRY AND
FINANCIAL MARKETS ASSOCIATION,

Admin. Proc. File No. 3-19766

For Review of Action Taken by CAT LLC and Certain
Self-Regulatory Organizations in Violation of Exchange
Act Sections 19(d) and 19(f)

**DECLARATION OF LORIN L. REISNER IN SUPPORT OF SIFMA'S
APPLICATION PURSUANT TO EXCHANGE ACT SECTIONS 19(d) AND 19(f)**

LORIN L. REISNER hereby declares pursuant to 28 U.S.C. § 1746 as follows:

1. I am a partner of the law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel for Securities Industry and Financial Markets Association ("SIFMA"). This Declaration is respectfully submitted in support of SIFMA's application (the "Application") pursuant to Sections 19(d) and 19(f) of the Securities Exchange Act of 1934 (the "Exchange Act") to set aside actions taken by the self-regulatory organizations (the "SROs") listed in Exhibit A to the Application that prohibit or limit SIFMA members with respect to access to services offered by the SROs in violation of the Exchange Act.

Preliminary Statement

2. Rule 613 was adopted by the Securities and Exchange Commission (the "Commission") to establish a comprehensive consolidated audit trail ("CAT") that would allow regulators efficiently and accurately to track all activity throughout the national securities markets in the United States. The rule required that self-regulatory organizations jointly submit a plan to create, implement and maintain the CAT. The SROs thereafter submitted a proposed CAT NMS Plan and various proposed CAT NMS Plan amendments.

As of August 2019, SRO activities related to the CAT have been conducted through Consolidated Audit Trail, LLC (“CAT LLC”), a company jointly owned by the SROs on an equal basis. Members of the securities industry (“Industry Members”) individually and through SIFMA have cooperated extensively with the SROs to advance the goals of the CAT. Among other things, Industry Members have invested substantial resources to develop information technology infrastructures to support the submission of CAT data and have delivered test data to the SROs to assist with the introduction of the CAT. The SROs are responsible for the operation of the CAT and manage the CAT System through CAT LLC.¹

3. The SROs, through CAT LLC, have asserted that Industry Members will be prohibited from the submission of order and trade data to the CAT System unless the reporting Industry Member executes a proposed CAT Reporter Agreement (the proposed “CRA”) developed by the SROs. Industry Members individually and through SIFMA have informed the SROs that this limitation on access to the CAT System is unacceptable and inappropriate. To begin, the CRA improperly purports to impose a limitation of liability for CAT LLC, its participant SROs, and their officers, employees and agents in the event of a CAT data breach, misuse of CAT data or other activities relating to the CAT System. The CRA also purports to require a CAT Reporter to indemnify CAT LLC, its participant SROs and their officers, employees and agents against various third-party claims relating to the misuse of CAT data.² These purported limitations on SRO liability and

¹ The “CAT System” is defined in the Limited Liability Company Agreement of CAT LLC (the “CAT NMS Plan”) as “all data processing equipment, communications facilities, and other facilities, including equipment, utilized . . . in connection with operation of the CAT and any related information or relevant systems pursuant to this Agreement.” (Ex. 1, § 1.1.)

² A “CAT Reporter” is defined in the CRA as “the Industry Member or Participant that enters into this Agreement.” (Ex. 2, § 1.2.)

indemnification requirements relating to a potential CAT data breach are particularly inappropriate where, as here, the SROs maintain and control the CAT System, the data in the CAT System and the transmission of data from the CAT System. As a matter of fairness and good policy, the SROs should not be permitted to require Industry Members to assume these additional risks and responsibilities relating to a potential CAT data breach when the SROs control the CAT System and are responsible for ensuring the security of the data it contains.

4. In any event, the CRA is not the appropriate method for addressing these important policy issues, and the unilateral action of the SROs to deny access to the CAT System absent execution of the CRA should be set aside by the Commission. Section 19(d) of the Exchange Act expressly provides that if any SRO “prohibits or limits any person in respect to access to services offered by such” SRO, the Commission shall review such action “upon application by any person aggrieved” by such action. 15 U.S.C. §§ 78s(d)(1), (2). The Industry Members on whose behalf SIFMA files this application are aggrieved by the challenged SRO conduct because it limits their access to the CAT System, imposes unfair and unreasonable conditions, and improperly seeks to establish practices, policies and standards pursuant to the CRA that can only be developed through a rule-making process. The CRA and its terms were never filed or approved pursuant to Section 19(b) of the Exchange Act. Exchange Act Section 19(f) therefore requires that the SRO action be set aside. *See id.* § 78s(f). Accordingly, for the reasons described below, the Commission should set aside the actions of the SROs in accordance with Sections 19(d) and 19(f) of the Exchange Act.

The Parties

5. SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global markets. It serves as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. A substantial number of SIFMA member firms are required to comply with CAT reporting under SEC and SRO rules. SIFMA has offices in New York and Washington, D.C.

6. CAT LLC is a Delaware limited liability company jointly created and owned by the SROs. CAT LLC was established to arrange for and oversee the creation, implementation, and maintenance of the CAT. Representatives of the SROs comprise the Operating Committee of CAT LLC that is the governing body of the CAT.

Delivery Of Data By Industry Members To The CAT System

7. The CAT is designed to be a comprehensive record of market and trading activity throughout the United States for exchange-listed equities and options. The SEC directed the creation and implementation of the CAT pursuant to Rule 613, which required that self-regulatory organizations establish a plan to create, implement and maintain the CAT. It is expected that the CAT will collect, store and distribute information delivered by Industry Members on a number of market events, including but not limited to quotes, orders, routes, and trade executions for all exchange-listed equities and options throughout the National Market System (“NMS”).³ It is likely that the CAT will be the most extensive collection of order and trade data ever assembled and will include highly sensitive and proprietary information relating to Industry Members and their customers. For this reason,

³ The CAT NMS Plan sets forth at Section 6.4(d) the extensive data that Industry Members are required to submit to the CAT for various reportable events. (Ex. 1, § 6.4(d).)

data security and data protection issues relating to the CAT System have been paramount for SIFMA members, the SROs and the Commission.

8. The terms by which the SROs intend to operate the CAT are set forth in the current CAT NMS Plan, the Limited Liability Company Agreement of CAT LLC. (*See* Ex. 1 at 2.)

9. The CAT NMS Plan requires the SROs to promulgate rules requiring that their members deliver certain order and trade data to the CAT System. (*Id.* at § 6.4.) Each SRO has adopted rules requiring its members to comply with various aspects of Rule 613 and the CAT NMS Plan. *See, e.g.*, FINRA Rules 6830, 6893.

The SROs Condition Industry Member Access To The CAT System Upon The Execution Of The CRA

10. The SROs, through CAT LLC, have announced that they will prohibit Industry Members from submitting order and trade data to the CAT System unless the reporting Industry Member has executed the CRA.

11. The CRA includes a number of provisions that Industry Members believe are unfair, inappropriate and bad policy.

12. For example, the CRA purports to effectively extinguish any liability for the SROs, CAT LLC, and their officers, employees and agents in the event of a CAT data breach or other conduct for which CAT LLC or the SROs are responsible. In particular, Section 5.5 of the proposed CRA provides:

Limitation of Liability. TO THE EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES SHALL THE TOTAL LIABILITY OF CATLLC OR ANY OF ITS REPRESENTATIVES TO CAT REPORTER UNDER THIS AGREEMENT FOR ANY CALENDAR YEAR EXCEED THE LESSER OF THE TOTAL OF THE FEES ACTUALLY PAID BY CAT REPORTER TO CATLLC FOR THE CALENDAR YEAR IN WHICH THE CLAIM AROSE OR FIVE HUNDRED DOLLARS (\$500.00).

(Ex. 2, § 5.5 (capitalization in original).)

13. In addition, the CRA requires Industry Members to indemnify CAT LLC, the SROs, their officers, employees, agents and others against various third-party claims relating to the misuse of CAT data. In particular, Section 5.2 of the proposed CRA provides:

CAT Reporter shall defend, indemnify and hold harmless CATLLC, each of the Participants,⁴ the Plan Processor and any other subcontractors of the Plan Processor or CATLLC providing software or services in connection with the CAT System, and any of their respective Affiliates and all of their directors, managers, officers, employees, contractors, subcontractors, advisors and agents (“Representatives”) against any third party claim arising out of (a) a breach of the foregoing representation and warranty, (b) a failure by CAT Reporter or any of its CAT Reporting Agents to protect and secure CAT Data under its control, including any PII⁵ that is part of the CAT Data, (c) a failure by CAT Reporter or any of its CAT Reporting Agents to protect its own systems from misuse (including from unauthorized use and malware infections) or unauthorized access to the CAT System by or through CAT Reporter’s systems, or (d) a failure by CAT Reporter or any of its CAT Reporting Agents to comply with its obligations under this Agreement. Each of CATLLC, the Participants and the Plan Processor and each of their subcontractors shall be considered an intended third-party beneficiary of this Section 5.2, and each such Person may enforce this Section 5.2 against CAT Reporter.

(*Id.* at § 5.2.)

14. The SROs have limited or prohibited access to the CAT System by Industry Members absent execution of the CRA.

15. In fact, the proposed CRA itself provides that its execution is a condition of access to the CAT System. It states: “Whereas, [the Industry Member] desires to access and use the CAT System to comply with its obligations under the CAT NMS Plan, SEC

⁴ The term “Participants” refers to the SROs. (Ex. 1, § 1.1.)

⁵ The term “PII” refers to “personally identifiable information, including a social security number or tax identifier number or similar information; Customer Identifying Information and Customer Account Information.” (*Id.*)

Rule 613 and [SRO] rules, as applicable, . . . *CATLLC is making the CAT System available to [the Industry Member] pursuant to the terms and conditions of this [CAT Reporter] Agreement.*” (*Id.* at 1 (emphasis added); *see also id.* at § 2.1 (“*Subject to the terms of this Agreement, CATLLC hereby grants CAT Reporter access to the CAT System and the ability to use the CAT System*” (emphasis added)).)

16. Formal industry alerts published by CAT LLC set forth similar conditions and limitations. For example, a December 2019 CAT Alert stated: “Before Industry Member (IM) CAT Reporters can be entitled to access the CAT Reporter Portal and the IM Test Environment and submit data for testing, they have been required to sign a CAT Reporter Agreement.” (Ex. 3 at 1.) That alert further asserts that Industry Members “may not submit production data” to the CAT System absent an executed CRA. (*Id.*)

17. The liability limitation and indemnification provisions of the proposed CRA are fundamentally unfair and inappropriate from a policy standpoint. The CAT System is likely to be the largest collection of customer and trading data ever collected and consolidated. It will contain extraordinarily sensitive and proprietary data that must be carefully and aggressively protected against exploitation by hackers and bad actors, as well as misuse for improper competitive purposes. As Chairman Clayton has observed, “the SROs must be mindful of the volume of data that the CAT collects, and its sensitive nature, and be responsible in their collection and use of that data” as “the nature of the data to be included in the CAT necessitates robust security protections.” (Ex. 4 at 1–2; *see also* Ex. 5 at 2 (“I understand and share the concern regarding the risk and impact of potential data breaches,” requesting that the Staff “prepare a recommendation for the Commission on improving the data security requirements in the CAT NMS Plan this year” and raising

questions for consideration).) A CAT data breach could have a devastating impact on market integrity, impose significant harm to market participants and inflict serious competitive harm to Industry Members if their proprietary information is misused or misappropriated. A CAT data breach also could expose those responsible for the CAT and data contained in the CAT to significant legal risk and potential liability. *See, e.g., In re Equifax Inc. Customer Data Security Breach Litigation*, No. 1:17-md-2800-TWT, 2020 WL 256132, at *2 (N.D. Ga. Mar. 17, 2020) (\$380.5 million payment by Equifax relating to data breach that affected 150 million individuals in U.S.).

18. These issues are magnified to the extent that the SROs intend to engage in bulk downloads of CAT data. Any of the 24 SROs that jointly operate the CAT may download onto their servers vast amounts of customer and trading data, thus multiplying the sources of a potential data breach and increasing the risk that data is misappropriated, misused or lost.

19. Pursuant to Rule 613 and the CAT NMS Plan, CAT LLC and the SROs are responsible for ensuring the security and confidentiality of the information reported to the CAT System. (*See* Ex. 1, §§ 6.5(f), (g); 17 C.F.R. § 242.613(e)(4)(i).) Since the SROs control and maintain the CAT System, it is entirely inappropriate for the SROs to force Industry Members to assume the additional risks and responsibilities relating to a potential CAT data breach contemplated by the CRA. The SROs should not be permitted to disclaim liability in the event of a data breach—let alone shift liability risk to Industry Members—when the SROs control the CAT System and are responsible for establishing and maintaining the information security safeguards designed to prevent a breach.

20. SIFMA and its members repeatedly have communicated their concerns about the CRA, its liability limitations, indemnification requirements and other provisions. The SROs nevertheless have continued to insist on the execution of the CRA before Industry Members are permitted to access the CAT System to deliver order and trade data. For example, on January 8, 2020, SIFMA proposed an amended version of the CRA that, among other things, eliminated the objectionable liability limitation and indemnification provisions.⁶ (*See* Ex. 7.) Despite extensive correspondence and communications between SIFMA and the SROs, the SROs have refused to remove the objectionable provisions from the CRA.

21. Based on the refusal by the SROs to remove objectionable terms from the CRA, certain Industry Members have declined to execute the CRA. These Industry Members collectively represent a substantial percentage—if not the majority—of the equity and options trading market and thus are responsible for submitting a significant proportion of the order and trade data that is expected to be maintained in the CAT System. Although other Industry Members executed the CRA after the SROs presented it as a condition to obtaining the access to the CAT System necessary to comply with CAT reporting obligations, a number of these Industry Members have informed SIFMA that they signed the CRA only because they believed they had no other practical choice.

⁶ SIFMA also sought to limit SRO use of CAT data to non-commercial, regulatory purposes. (*See* Ex. 6 at 3; *see also* Ex. 7 at 6). Under Rule 613(a)(1)(ii), CAT data shall be available to SROs “to perform surveillance or analyses, or for other purposes as part of their *regulatory* and oversight responsibilities.” 17 C.F.R. § 242.613(a)(1)(ii) (emphasis added). Under Section 6.5(h) of the CAT NMS Plan, however, the SROs “may use the Raw Data it reports to the Central Repository for regulatory, surveillance, *commercial* or other purposes as otherwise not prohibited by applicable law, rule or regulation.” (Ex. 1, § 6.5(h) (emphasis added).) Thus, in addition to using CAT data for purposes outside those permitted by Rule 613, the SROs have sought to preserve their ability to use CAT data for commercial purposes—further heightening the risk that data is misused or lost—while limiting their liability in the event of a data breach pursuant to the proposed CRA.

**The SROs Prohibit Industry Members From Supplying Production Data
To The CAT System**

22. In an effort to advance the goals of the CAT and faced with the unacceptable and improper demands by the SROs with respect to the proposed CRA, in December 2019, a number of Industry Members executed a CAT Industry Member Limited Testing Acknowledgement Form (the “CAT LTA Form”), which allowed Industry Members to deliver obfuscated data (“Test Data”) to the CAT System but, at the insistence of the SROs, expressly prohibited the delivery of actual customer data (“Production Data”). (See Ex. 8.) The CAT LTA Form re-asserted the SRO prohibition on the delivery of order and trade data by Industry Members unless the CRA is executed. It stated: “Prior to being entitled to the CAT System production environment, each Industry Member must enter into a CAT Reporter Agreement with CATLLC. . . . The CAT Reporter . . . hereby certifies and acknowledges that it will not submit production data and will only submit fabricated test data and/or obfuscated production data . . . to the CAT System test environment.” (*Id.*) Subsequent negotiations between SIFMA and the SROs that would allow Industry Members to submit Production Data into the CAT test environment without executing the CRA failed.

23. On and after April 15, 2020, a number of Industry Members provided notice to the SROs that they were rescinding their execution of the CAT LTA Form and intended to begin the submission of Production Data to the CAT System without executing the CRA.

24. In response, the limited CAT System access that had been provided under the CAT LTA Form was terminated and Industry Members were blocked entirely from any use of the CAT System. A notice on behalf of CAT LLC sent to Industry Members following revocation of the CAT LTA Form stated: “In absence of a signed CAT Reporter

Agreement or Limited Testing Acknowledgement form, access to CAT systems will be removed for [Firm]. Access to the CAT test environment can be restored by signing a CAT Reporter Agreement or a Limited Testing Acknowledgement form.” As a result, those Industry Members are unable to submit Production Data to the CAT System.

The Challenged SRO Action Violates Sections 19(d) and 19(f) Of The Exchange Act

25. The actions of the SROs limit and prohibit access to the CAT System in violation of Sections 19(d) and 19(f) of the Exchange Act.

26. Section 19(d)(1) of the Exchange Act provides that: “[i]f any [SRO] . . . denies membership or participation to any applicant, or *prohibits or limits any person in respect to access to services offered by such organization* . . . the [SRO] shall promptly file notice thereof with the appropriate regulatory agency.” 15 U.S.C. § 78s(d)(1) (emphasis added).⁷

27. Section 19(d)(2) of the Exchange Act provides that “any action” for which an SRO is required to file notice “shall be *subject to review by the appropriate regulatory agency* for such member, participant, applicant, or other person, on its own motion, or upon *application by any person aggrieved thereby* filed within thirty days after the date such notice was filed . . . or within such longer period as such appropriate regulatory agency may determine.” *Id.* § 78s(d)(2) (emphasis added). The Industry Members on whose behalf SIFMA brings its application are “persons aggrieved” pursuant to Section 19(d)(2). *See In re Sec. Indus. & Fin. Mkts. Ass’n*, Admin. Proc. Rulings Release No. 1921, 2014

⁷ The SROs were required to, but did not, file notice of their denial of access in the manner set forth in Section 19(d)(1).

WL 12655078 (Oct. 20, 2014) (recognizing organizational standing of SIFMA to pursue relief on behalf of its members under Section 19 of the Exchange Act).

28. Under Exchange Act Section 19(f), the Commission “shall set aside the action of the [SRO] and require it to . . . grant . . . access to services offered by the [SRO]” unless it finds that: “[1] the specific grounds on which such denial, bar, or prohibition or limitation is based exist in fact, [2] that such denial, bar, or prohibition or limitation is in accordance with the rules of the [SRO], and [3] that such rules are, and were applied in a manner, consistent with the purposes of this chapter.” 15 U.S.C. § 78s(f). As described below, no such finding can be made here, and the SRO denial of access should be set aside by the Commission.

The SRO Action Should Be Set Aside Because It Prohibits Or Limits Access To SRO Services Without Required Rule-Making

29. The SRO insistence that Industry Members execute the CRA as a condition of access to the CAT System improperly “prohibits or limits” Industry Member “access to services offered by” the SROs.⁸ The CAT System is clearly a service offered by the SROs. In approving Rule 613, the Commission observed that the CAT is a facility of the SROs and that “a facility of an SRO is subject to the rule filing requirements of Section 19(b) of the Exchange Act.” Exchange Act Release No. 67457, at 202 (July 18, 2012), 77 Fed. Reg. 45722, at 45775 (Aug. 1, 2012) (approving Rule 613).

30. The SROs have not filed any notice of proposed rule-making with respect to the imposition of the CRA or its terms.

⁸ The SROs also have sought to use click-through agreements to impose conditions of use on the CAT System. Insofar as the SROs seek to use click-through agreements to impose the same or similar terms to those found in the CRA, it would be improper for the same reasons.

31. The SRO action thus cannot possibly be sustained under Section 19(f) as in “accordance with the rules of the [SRO],” because there are no rules that authorize the imposition of the CRA or its terms. 15 U.S.C. § 78s(f). For similar reasons, the SROs could not have applied “such rules” in a manner “consistent with the purposes of” the Exchange Act. *Id.* The action of the SROs therefore should be set aside and the SROs should be ordered to permit Industry Member access to the CAT System without executing the proposed CRA.

32. It is clear that the CRA and its objectionable terms involve standards, policies and practices that require rule-making. Under the Exchange Act, a rule includes any “stated policy, practice or interpretation” of an SRO and is defined as: (i) “[a]ny material aspect of the operation of the facilities of the [SRO],” or (ii) “[a]ny statement made generally available to the membership of, to all participants in, or to persons having or seeking access . . . to facilities of, the [SRO] . . . that establishes or changes any standard, limit, or guideline with respect to: (A) [t]he rights, obligations, or privileges of specified persons or . . . persons associated with specified persons; or (B) [t]he meaning, administration, or enforcement of an existing rule.” 17 C.F.R. § 240.19b-4(a)(6); *see also In re Bloomberg L.P.*, Exchange Act Release No. 49076, 2004 WL 67566, at *3 (Jan. 14, 2004).

33. The CRA and its objectionable terms involve both (i) a “material aspect of the operation” of SRO facilities and (ii) a “statement made generally available” to “persons having or seeking access . . . to facilities” of the SRO that “establishes . . . a[] standard, limit, or guideline with respect to . . . [t]he rights, obligations or privileges” of Industry Members. 17 C.F.R. § 240.19b-4(a)(6). The CRA and its terms plainly purport to govern

key aspects of SRO facility operations (the “rules of the road” of CAT access by Industry Members), as well as establish standards, limits and guidelines for the rights and obligations of Industry Members with respect to liability, indemnification, and other issues. As described above, the CRA provisions directly and significantly impact the rights and obligations of Industry Members and impose rights and responsibilities that are unfair and inappropriate.

34. The proposed CRA and its terms do not fall within the narrow exceptions to required rule-making because they are not “reasonably and fairly implied by an existing rule” of the SRO or “concerned solely with the administration” of the SRO and not “a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule” of the SRO. *Id.* § 240.19b-4(c). As the Commission explained in *In re Bloomberg*, limitations that are “not apparent from the face” of an existing rule are not “reasonably and fairly implied” by a rule, and the “concerned solely with the administration” exception applies narrowly to “deal solely with ‘housekeeping matters.’” *In re Bloomberg L.P.*, 2004 WL 67566, at *4; *see id.* at *5 (“The restrictions involve far more than, and have policy implications that extend beyond, mere ‘housekeeping’ matters”). The CRA and its terms are not apparent from the face of any existing rule and do not deal solely with housekeeping matters.

35. Thus, in order to impose the CRA and its terms on Industry Members, the SROs are required, but failed, to pursue a rule-making process that provides interested stakeholders notice and the opportunity to comment, and affords the Commission the

opportunity to consider and determine whether such rules should be adopted.⁹ 15 U.S.C. § 78s(b)(1).

36. In fact, the Commission previously has set aside SRO action under Section 19(d) in similar circumstances where an SRO sought to impose rules by contract without engaging in the rule-making process.

37. In *In re Bloomberg*, Bloomberg, L.P. commenced a Section 19(d) proceeding alleging that the New York Stock Exchange (“NYSE”) improperly denied access to services by restricting the display and use of liquidity data. *See In re Bloomberg L.P.*, 2004 WL 67566. The NYSE had required that Bloomberg execute a “Vendor Agreement” that contained restrictions on the dissemination of such data and rejected particular data displays proposed by Bloomberg. *Id.* at *2.

38. The Commission ruled that the NYSE limitations and restrictions on data usage amounted to a “denial of access” to SRO services and had no proper basis because they amounted to “rules” imposed without following the required rule-making process. *Id.* at *3. In reaching that conclusion, the Commission noted that the proposed restrictions related to a “material aspect” of the NYSE operations and also established a “standard, limit, or guideline” affecting vendor rights, obligations and privileges. *Id.* Accordingly, the Commission concluded that “the NYSE’s action was not taken in accordance with the Exchange’s rules and, therefore, should be set aside under Section 19(f).” *Id.* For similar

⁹ Section 19(b)(1) of the Exchange Act provides that each SRO “shall file with the Commission . . . any proposed rule or any proposed change in, addition to, or deletion from the rules of such [SRO] . . . accompanied by a concise general statement of the basis and purpose of such proposed rule change.” 15 U.S.C. § 78s(b)(1). As soon as practicable after receipt of the SRO’s filing, the Commission shall “publish notice thereof together with the terms of substance of the proposed rule change or a description of the subjects and issues involved,” and “give interested persons an opportunity to submit written data, views, and arguments concerning such proposed rule change.” *Id.* “No proposed rule change shall take effect unless approved by the Commission or otherwise permitted in accordance with the provisions of [Section 19(b)].” *Id.*

reasons, the Commission should reject and set aside the actions of the SROs that limit access by Industry Members to the CAT System and impose the CRA and its terms without a proper rule-making process.

Industry Members Cannot Meet CAT Deadlines Because The SROs Have Denied Access To The CAT System

39. The CAT System is the sole means by which Industry Members can meet their CAT reporting obligations under SEC and SRO rules. A timetable published by the SROs requires Industry Members to certify readiness to submit CAT data by May 6, 2020 and to begin submitting CAT data by May 20, 2020. Although the SROs informed Industry Members on March 17, 2020 that the SROs would not take disciplinary action against their members before May 20, 2020 with respect to CAT deadlines (*see* Ex. 9), the SROs stated that Industry Members must complete testing and certification fourteen calendar days prior to the date on which they intend to begin reporting. (*Id.*; *see also* Ex. 10 at 3 (SEC no-action letter in which the Staff expressed its position that it does not intend to recommend enforcement action against SROs should they choose not to enforce CAT deadlines against their members through May 20, 2020).) On April 20, 2020, the Commission granted a request for exemptive relief from the SROs such that the deadline for initial equities reporting for Industry Members was extended to June 22, 2020.

40. Without access to the CAT System, however, Industry Members cannot meet CAT deadlines. SIFMA therefore was compelled to file its application and accompanying motion for a stay so that Industry Members can remain in compliance with applicable SEC and SRO rules and requirements. A stay will enable Industry Members to submit CAT data and advance the purposes of the CAT without the improper limitations on access to the CAT System imposed by the SROs.

41. A stay is appropriate so that the SROs are prevented from limiting access to the CAT System and the ability of Industry Members to meet CAT reporting deadlines while the Commission considers SIFMA's Application. All four factors that are properly considered weigh heavily in favor of granting a stay. *See In re Bloomberg L.P.*, Exchange Act Release No. 83755, 2018 WL 3640780, at *7 (July 31, 2018).

42. SIFMA therefore respectfully requests that the Commission set aside the challenged actions of the SROs and grant SIFMA's application for relief in accordance with Exchange Act Sections 19(d) and 19(f).

Exhibits

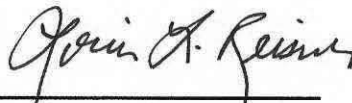
43. True and correct copies of the following documents are set forth in the Appendix of Exhibits accompanying this Declaration:

- a. Exhibit 1 consists of excerpts from the Amended CAT NMS Plan, filed by the SROs on August 29, 2019.
- b. Exhibit 2 is the CRA proposed by the SROs.
- c. Exhibit 3 is the CAT Alert entitled "Industry Member Testing Update," published December 17, 2019.
- d. Exhibit 4 is Chairman Clayton's statement published September 9, 2019 on the status of the CAT.
- e. Exhibit 5 is Chairman Clayton's March 17, 2020 Update on Consolidated Audit Trail.
- f. Exhibit 6 is a letter dated November 11, 2019 from Kenneth E. Bentsen, Jr., SIFMA President and CEO, to the Honorable Jay Clayton.
- g. Exhibit 7 is a letter dated January 8, 2020 from Ellen Greene, SIFMA Managing Director, to Michael Simon of CAT LLC.
- h. Exhibit 8 is the CAT LTA Form.
- i. Exhibit 9 is the SRO statement published March 17, 2020 regarding the SEC's no-action relief.

- j. Exhibit 10 is the no-action letter dated March 16, 2020 from Brett W. Redfearn, Director, SEC Division of Trading and Markets.
- k. Exhibit 11 is the CAT Timeline published by CAT LLC on its website at <http://www.catnmsplan.com/timeline>.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: New York, New York
April 22, 2020



Lorin L. Reisner

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In The Matter of:

The Application of SECURITIES INDUSTRY AND
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For Review of Action Taken by CAT LLC and Certain
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Admin. Proc. File No. _____

**APPENDIX OF EXHIBITS TO DECLARATION OF LORIN L. REISNER
IN SUPPORT OF SIFMA'S APPLICATION PURSUANT TO
EXCHANGE ACT SECTIONS 19(d) AND 19(f)**

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Dated: New York, New York
April 22, 2020

*Attorneys for Securities Industry and
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Exhibit 1

**LIMITED LIABILITY COMPANY AGREEMENT
OF
CONSOLIDATED AUDIT TRAIL, LLC
a Delaware Limited Liability Company**

This Limited Liability Company Agreement (including its Recitals and the Exhibits, Appendices, Attachments, and Schedules identified herein, this “Agreement”) of CONSOLIDATED AUDIT TRAIL, LLC, a Delaware limited liability company (the “Company”), dated as of the 29th day of August, 2019, is made and entered into by and among the Participants.

RECITALS

A. Prior to the formation of the Company, in response to SEC Rule 613 requiring national securities exchanges and national securities associations to submit a national market system plan to the Securities and Exchange Commission (“Commission” or “SEC”) to create, implement and maintain a consolidated audit trail, such national securities exchanges and national securities associations, pursuant to SEC Rule 608(a)(3), which authorizes them to act jointly in preparing, filing and implementing national market system plans, developed the National Market System Plan Governing the Process for Selecting a Plan Processor and Developing a Plan for the Consolidated Audit Trail (the “Selection Plan”). The Selection Plan was approved by the Commission on February 21, 2014, amended on June 17, 2015 and September 24, 2015, and, by its terms, shall automatically terminate upon the Commission’s approval of this Agreement.

B. The Participants have now determined that it is advantageous and desirable to conduct in a limited liability company the activities they have heretofore conducted as parties to the Selection Plan, and have formed the Company for this purpose. This Agreement, which takes the place of the Selection Plan, is a National Market System Plan as defined in SEC Rule 600(b)(43), and serves as the National Market System Plan required by SEC Rule 613. The Participants shall jointly own the Company, which shall create, implement, and maintain the CAT and the Central Repository pursuant to SEC Rule 608 and SEC Rule 613.

C. This Agreement incorporates the exemptive relief from certain provisions of SEC Rule 613 requested in the original and supplemental request letters submitted by the Participants to the Commission, as described further in Appendix C (“Exemptive Request Letters”).

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used throughout this Agreement (including, for the avoidance of doubt, the Exhibits, Appendices, Attachments, Recitals and Schedules identified in this Agreement):

“Account Effective Date” means: (a) with regard to those circumstances in which an Industry Member has established a trading relationship with an institution but has not established an account with that institution, (i) when the trading relationship was established prior to the implementation date of the CAT NMS Plan applicable to the

relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), either (A) the date the relationship identifier was established within the Industry Member, (B) the date when trading began (i.e., the date the first order was received) using the relevant relationship identifier, or (C) if both dates are available, the earlier date will be used to the extent that the dates differ; or (ii) when the trading relationship was established on or after the implementation date of the CAT NMS Plan applicable to the relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), the date the Industry Member established the relationship identifier, which would be no later than the date the first order was received; (b) where an Industry Member changes back office providers or clearing firms prior to the implementation date of the CAT NMS Plan applicable to the relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), the date an account was established at the relevant Industry Member, either directly or via transfer; (c) where an Industry Member acquires another Industry Member prior to the implementation date of the CAT NMS Plan applicable to the relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), the date an account was established at the relevant Industry Member, either directly or via transfer; (d) where there are multiple dates associated with an account established prior to the implementation date of the CAT NMS Plan applicable to the relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), the earliest available date; (e) with regard to Industry Member proprietary accounts established prior to the implementation date of the CAT NMS Plan applicable to the relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), (i) the date established for the account in the Industry Member or in a system of the Industry Member or (ii) the date when proprietary trading began in the account (i.e., the date on which the first orders were submitted from the account). With regard to paragraphs (b) – (e), the Account Effective Date will be no later than the date trading occurs at the Industry Member or in the Industry Member’s system.

“Active Accounts” means an account that has had activity in Eligible Securities within the last six months.

“Advisory Committee” has the meaning set forth in Section 4.13(a).

“Affiliate” of a Person means any Person controlling, controlled by, or under common control with such Person.

“Affiliated Participant” means any Participant controlling, controlled by, or under common control with another Participant.

“Agreement” has the meaning set forth in the preamble to this Agreement.

“Allocation Report” means a report made to the Central Repository by an Industry Member that identifies the Firm Designated ID for any account(s), including subaccount(s), to which executed shares are allocated and provides the security that has been allocated, the identifier of the firm reporting the allocation, the price per share of shares allocated, the side of shares allocated, the number of shares allocated to each account, and the time of the allocation; provided, for the avoidance of doubt, any such Allocation Report shall not be required to be linked to particular orders or executions.

“Bid” means a proposal submitted by a Bidder in response to the RFP or subsequent request for proposal (or similar request).

“Bidder” means any entity, or any combination of separate entities, submitting a Bid.

“Bidding Participant” means a Participant that: (a) submits a Bid; (b) is an Affiliate of an entity that submits a Bid; or (c) is included, or is an Affiliate of an entity that is included, as a Material Subcontractor as part of a Bid.

“Business Clock” means a clock used to record the date and time of any Reportable Event required to be reported under SEC Rule 613.

“CAT” means the consolidated audit trail contemplated by SEC Rule 613.

“CAT Data” means data derived from Participant Data, Industry Member Data, SIP Data, and such other data as the Operating Committee may designate as “CAT Data” from time to time.

“CAT NMS Plan” means the plan set forth in this Agreement, as amended from time to time.

“CAT-Order-ID” has the same meaning provided in SEC Rule 613(j)(1).

“CAT Reporter” means each national securities exchange, national securities association and Industry Member that is required to record and report information to the Central Repository pursuant to SEC Rule 613(c).

“CAT-Reporter-ID” has the same meaning provided in SEC Rule 613(j)(2).

“CAT System” means all data processing equipment, communications facilities, and other facilities, including equipment, utilized by the Company or any third parties acting on the Company’s behalf in connection with operation of the CAT and any related information or relevant systems pursuant to this Agreement.

“Central Repository” means the repository responsible for the receipt, consolidation, and retention of all information reported to the CAT pursuant to SEC Rule 613 and this Agreement.

“Certificate” has the meaning set forth in Section 2.2.

“Chair” has the meaning set forth in Section 4.2(b).

“Chief Compliance Officer” means the individual then serving (even on a temporary basis) as the Chief Compliance Officer pursuant to Section 4.6, Section 6.1(b), and Section 6.2(a).

“Chief Information Security Officer” means the individual then serving (even on a temporary basis) as the Chief Information Security Officer pursuant to Section 4.6, Section 6.1(b), and Section 6.2(b).

“Code” means the Internal Revenue Code of 1986.

“Company” has the meaning set forth in the preamble to this Agreement.

“Company Interest” means any membership interest in the Company at any particular time, including the right to any and all benefits to which a Participant may be entitled under this Agreement and the Delaware Act, together with the obligations of such Participant to comply with this Agreement.

“Commission” or “SEC” means the United States Securities and Exchange Commission.

“Compliance Rule” means, with respect to a Participant, the rule(s) promulgated by such Participant as contemplated by Section 3.11.

“Compliance Subcommittee” has the meaning set forth in Section 4.12(b).

“Compliance Threshold” has the meaning set forth in Appendix C.

“Conflict of Interest” means that the interest of a Participant (e.g., commercial, reputational, regulatory or otherwise) in the matter that is subject to a vote: (a) interferes, or would be reasonably likely to interfere, with that Participant’s objective consideration of the matter; or (b) is, or would be reasonably likely to be, inconsistent with the purpose and objectives of the Company and the CAT, taking into account all relevant considerations including whether a Participant that may otherwise have a conflict of interest has established appropriate safeguards to eliminate such conflict of interest and taking into account the other guiding principles set forth in this Agreement. If a Participant has a “Conflict of Interest” in a particular matter, then each of its Affiliated Participants shall be deemed to have a “Conflict of Interest” in such matter. A “Conflict of Interest” with respect to a Participant includes the situations set forth in Sections 4.3(b)(iv), 4.3(d)(i) and 4.3(d)(ii).

“Customer” has the same meaning provided in SEC Rule 613(j)(3).

“Customer Account Information” shall include, but not be limited to, account number, account type, customer type, date account opened, and large trader identifier (if applicable); except, however, that (a) in those circumstances in which an Industry Member has established a trading relationship with an institution but has not established an account with that institution, the Industry Member will (i) provide the Account Effective Date in lieu of the “date account opened”; (ii) provide the relationship identifier in lieu of the “account number”; and (iii) identify the “account type” as a “relationship”; (b) in those circumstances in which the relevant account was established prior to the implementation date of the CAT NMS Plan applicable to the relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), and no “date account opened” is available for the account, the Industry Member will provide the Account Effective Date in the following circumstances: (i) where an Industry Member changes back office providers or clearing firms and the date account opened is changed to the date the account was opened on the new back office/clearing firm system; (ii) where an Industry Member acquires another Industry Member and the date account opened is changed to the date the account was opened on the post-merger back office/clearing firm system; (iii) where there are multiple dates associated with an account in an Industry Member’s system, and the parameters of each date are determined by the

individual Industry Member; and (iv) where the relevant account is an Industry Member proprietary account.

“Customer-ID” has the same meaning provided in SEC Rule 613(j)(5).

“Customer Identifying Information” means information of sufficient detail to identify a Customer, including, but not limited to, (a) with respect to individuals: name, address, date of birth, individual tax payer identification number (“ITIN”)/social security number (“SSN”), individual’s role in the account (e.g., primary holder, joint holder, guardian, trustee, person with the power of attorney); and (b) with respect to legal entities: name, address, Employer Identification Number (“EIN”)/Legal Entity Identifier (“LEI”) or other comparable common entity identifier, if applicable; provided, however, that an Industry Member that has an LEI for a Customer must submit the Customer’s LEI in addition to other information of sufficient detail to identify a Customer.

“Delaware Act” means the Delaware Limited Liability Company Act.

“Disclosing Party” has the meaning set forth in Section 9.6(a).

“Effective Date” means the date of approval of this Agreement by the Commission.

“Eligible Security” includes (a) all NMS Securities and (b) all OTC Equity Securities.

“Error Rate” has the meaning provided in SEC Rule 613(j)(6).

“Exchange Act” means the Securities Exchange Act of 1934.

“Execution Venue” means a Participant or an alternative trading system (“ATS”) (as defined in Rule 300 of Regulation ATS) that operates pursuant to Rule 301 of Regulation ATS (excluding any such ATS that does not execute orders).

“Exemptive Request Letters” has the meaning set forth in Recital C.

“FINRA” means Financial Industry Regulatory Authority, Inc.

“Firm Designated ID” means a unique identifier for each trading account designated by Industry Members for purposes of providing data to the Central Repository, where each such identifier is unique among all identifiers from any given Industry Member for each business date.

“Fiscal Year” means the fiscal year of the Company determined pursuant to Section 9.2(a).

“FS-ISAC” has the meaning set forth in Section 6.2(b)(vi).

“GAAP” means United States generally accepted accounting principles.

“Independent Auditor” has the meaning set forth in Section 6.2(a)(v)(B).

“Industry Member” means a member of a national securities exchange or a member of a national securities association.

“Industry Member Data” has the meaning set forth in Section 6.4(d)(ii).

“Information” has the meaning set forth in Section 9.6(a).

“Initial Plan Processor” means the first Plan Processor selected by the Operating Committee in accordance with SEC Rule 613, Section 6.1 and the Selection Plan.

“Last Sale Report” means any last sale report reported pursuant to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information filed with the SEC pursuant to, and meeting the requirements of, SEC Rule 608.

“Latency” means the delay between input into a system and the outcome based upon that input. In computer networks, latency refers to the delay between a source system sending a packet or message, and the destination system receiving such packet or message.

“Listed Option” or “Option” have the meaning set forth in Rule 600(b)(35) of Regulation NMS.

“Majority Vote” means the affirmative vote of at least a majority of all of the members of the Operating Committee or any Subcommittee, as applicable, authorized to cast a vote with respect to a matter presented for a vote (whether or not such a member is present at any meeting at which a vote is taken) by the Operating Committee or any Subcommittee, as applicable (excluding, for the avoidance of doubt, any member of the Operating Committee or any Subcommittee, as applicable, that is recused or subject to a vote to recuse from such matter pursuant to Section 4.3(d)).

“Manual Order Event” means a non-electronic communication of order-related information for which CAT Reporters must record and report the time of the event.

“Material Amendment” has the meaning set forth in Section 6.9(c).

“Material Contract” means any: (a) contract between the Company and the Plan Processor; (b) contract between the Company and any Officer; (c) contract, or group of related contracts, resulting in a total cost or liability to the Company of more than \$900,000; (d) contract between the Company, on the one hand, and a Participant or an Affiliate of a Participant, on the other; (e) contract containing other than reasonable arms-length terms; (f) contract imposing, or purporting to impose, non-customary restrictions (including non-competition, non-solicitation or confidentiality (other than customary confidentiality agreements entered into in the ordinary course of business that do not restrict, or purport to restrict, any Participant or any Affiliate of any Participant)) or obligations (including indemnity, most-favored nation requirements, exclusivity, or guaranteed minimum purchase commitments) on the Company or any Participant or any Affiliate of a Participant; (g) contract containing terms that would reasonably be expected to unduly interfere with or negatively impact the ability of the Company, any Participant or any Affiliate of any Participant to perform its regulatory functions (including disciplinary matters), to carry out its responsibilities under the Exchange Act or to perform its obligations under this

Agreement; (h) contract providing for a term longer than twelve (12) months or the termination of which would reasonably be expected to materially and adversely affect the Company, any Participant or any Affiliate of a Participant; (i) contract for indebtedness, the disposition or acquisition of assets or equity, or the lease or license of assets or properties; or (j) joint venture or similar contract for cost or profit sharing.

“Material Subcontractor” means any entity that is known to the Participant to be included as part of a Bid as a vendor, subcontractor, service provider, or in any other similar capacity and, excluding products or services offered by the Participant to one or more Bidders on terms subject to a fee filing approved by the SEC: (a) is anticipated to derive 5% or more of its annual revenue in any given year from services provided in such capacity; or (b) accounts for 5% or more of the total estimated annual cost of the Bid for any given year. An entity shall not be considered a “Material Subcontractor” solely due to the entity providing services associated with any of the entity’s regulatory functions as a self-regulatory organization registered with the SEC.

“Material Systems Change” means any change or update to the CAT System made by the Plan Processor which will cause a significant change to the functionality of the Central Repository.

“Material Terms of the Order” includes: the NMS Security or OTC Equity Security symbol; security type; price (if applicable); size (displayed and non-displayed); side (buy/sell); order type; if a sell order, whether the order is long, short, short exempt; open/close indicator (except on transactions in equities); time in force (if applicable); if the order is for a Listed Option, option type (put/call), option symbol or root symbol, underlying symbol, strike price, expiration date, and open/close (except on market maker quotations); and any special handling instructions.

“National Best Bid” and “National Best Offer” have the same meaning provided in SEC Rule 600(b)(42).

“NMS Plan” has the same meaning as “National Market System Plan” provided in SEC Rule 613(a)(1) and SEC Rule 600(b)(43).

“NMS Security” means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in Listed Options.

“Non-SRO Bid” means a Bid that does not include a Bidding Participant.

“Officer” means an officer of the Company, in his or her capacity as such, as set forth in Section 4.6.

“Operating Committee” means the governing body of the Company designated as such and described in Article IV.

“Options Exchange” means a registered national securities exchange or automated trading facility of a registered securities association that trades Listed Options.

“Options Market Maker” means a broker-dealer registered with an exchange for the purpose of making markets in options contracts traded on the exchange.

“Order” or “order” has, with respect to Eligible Securities, the meaning set forth in SEC Rule 613(j)(8).

“OTC Equity Security” means any equity security, other than an NMS Security, subject to prompt last sale reporting rules of a registered national securities association and reported to one of such association’s equity trade reporting facilities.

“Other SLAs” has the meaning set forth in Section 6.1(h).

“Participant” means each Person identified as such on Exhibit A hereto, and any Person that becomes a Participant as permitted by this Agreement, in such Person’s capacity as a Participant in the Company (it being understood that the Participants shall comprise the “members” of the Company (as the term “member” is defined in Section 18-101(11) of the Delaware Act)).

“Participant Data” has the meaning set forth in Section 6.3(d).

“Participation Fee” has the meaning set forth in Section 3.3(a).

“Payment Date” has the meaning set forth in Section 3.7(b).

“Permitted Legal Basis” means the Participant has become exempt from, or otherwise has ceased to be subject to, SEC Rule 613 or has arranged to comply with SEC Rule 613 in some manner other than through participation in this Agreement, in each instance subject to the approval of the Commission.

“Permitted Person” has the meaning set forth in Section 4.9.

“Permitted Transferee” has the meaning set forth in Section 3.4(c).

“Person” means any individual, partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association and any heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so permits.

“PII” means personally identifiable information, including a social security number or tax identifier number or similar information; Customer Identifying Information and Customer Account Information.

“Plan Processor” means the Initial Plan Processor or any other Person selected by the Operating Committee pursuant to SEC Rule 613 and Sections 4.3(b)(i) and 6.1, and with regard to the Initial Plan Processor, the Selection Plan, to perform the CAT processing functions required by SEC Rule 613 and set forth in this Agreement.

“Pledge” and any grammatical variation thereof means, with respect to an interest, asset, or right, any pledge, security interest, hypothecation, deed of trust, lien or other similar

encumbrance granted with respect to the affected interest, asset or right to secure payment or performance of an obligation.

“Primary Market Transaction” means any transaction other than a secondary market transaction and refers to any transaction where a Person purchases securities in an offering.

“Prime Rate” means the prime rate published in The Wall Street Journal (or any successor publication) on the last day of each month (or, if not a publication day, the prime rate last published prior to such last day).

“Proceeding” has the meaning set forth in Section 4.8(b).

“Qualified Bid” means a Bid that is deemed by the Selection Committee to include sufficient information regarding the Bidder’s ability to provide the necessary capabilities to create, implement, and maintain the CAT so that such Bid can be effectively evaluated by the Selection Committee. When evaluating whether a Bid is a Qualified Bid, each member of the Selection Committee shall consider whether the Bid adequately addresses the evaluation factors set forth in the RFP, and apply such weighting and priority to the factors as such member of the Selection Committee deems appropriate in his or her professional judgment. The determination of whether a Bid is a Qualified Bid shall be determined pursuant to the process set forth in Section 5.2.

“Qualified Bidder” means a Bidder that has submitted a Qualified Bid.

“Quotation Information” means all bids (as defined under SEC Rule 600(b)(8)), offers (as defined under SEC Rule 600(b)(8)), all bids and offers of OTC Equity Securities, displayed quotation sizes in Eligible Securities, market center identifiers (including, in the case of FINRA, the FINRA member that is registered as a market maker or electronic communications network or otherwise utilizes the facilities of FINRA pursuant to applicable FINRA rules, that entered the quotation), withdrawals and other information pertaining to quotations in Eligible Securities required to be reported to the Plan Processor pursuant to this Agreement and SEC Rule 613.

“Raw Data” means Participant Data and Industry Member Data that has not been through any validation or otherwise checked by the CAT System.

“Received Industry Member Data” has the meaning set forth in Section 6.4(d)(ii).

“Receiving Party” has the meaning set forth in Section 9.6(a).

“Recorded Industry Member Data” has the meaning set forth in Section 6.4(d)(i).

“Registered Person” means any member, principal, executive, registered representative, or other person registered or required to be registered under a Participant’s rules.

“Reportable Event” includes, but is not limited to, the original receipt or origination, modification, cancellation, routing, execution (in whole or in part) and allocation of an order, and receipt of a routed order.

“Representatives” has the meaning set forth in Section 9.6(a).

“RFP” means the “Consolidated Audit Trail National Market System Plan Request for Proposal” published by the Participants on February 26, 2013 attached as Appendix A, as amended from time to time.

“Securities Information Processor” or “SIP” has the same meaning provided in Section 3(a)(22)(A) of the Exchange Act.

“Selection Committee” means the committee formed pursuant to Section 5.1.

“Selection Plan” has the meaning set forth in Recital A.

“Shortlisted Bid” means a Bid submitted by a Qualified Bidder and selected as a Shortlisted Bid by the Selection Committee pursuant to Section 5.2(b) and, if applicable, pursuant to Section 5.2(c)(iii).

“Shortlisted Bidder” means a Qualified Bidder that has submitted a Bid selected as a Shortlisted Bid.

“SIP Data” has the meaning set forth in Section 6.5(a)(ii).

“SLA” has the meaning set forth in Section 6.1(h).

“Small Industry Member” means an Industry Member that qualifies as a small broker-dealer as defined in SEC Rule 613.

“SRO” means any self-regulatory organization within the meaning of Section 3(a)(26) of the Exchange Act.

“SRO-Assigned Market Participant Identifier” means an identifier assigned to an Industry Member by an SRO or an identifier used by a Participant.

“Subcommittee” has the meaning set forth in Section 4.12(a).

“Supermajority Vote” means the affirmative vote of at least two-thirds of all of the members of the Operating Committee or any Subcommittee, as applicable, authorized to cast a vote with respect to a matter presented for a vote (whether or not such a member is present at any meeting at which a vote is taken) by the Operating Committee or any Subcommittee, as applicable (excluding, for the avoidance of doubt, any member of the Operating Committee or any Subcommittee, as applicable, that is recused or subject to a vote to recuse from such matter pursuant to Section 4.3(d)); provided that if two-thirds of all of such members authorized to cast a vote is not a whole number then that number shall be rounded up to the nearest whole number.

“Tax Matters Partner” has the meaning set forth in Section 9.5(a).

“Transfer” and any grammatical variation thereof means any sale, exchange, issuance, redemption, assignment, distribution or other transfer, disposition or alienation in any way

(whether voluntarily, involuntarily or by operation of law). Transfer shall specifically include any: (a) assignment or distribution resulting from bankruptcy, liquidation, or dissolution; or (b) Pledge.

“Technical Specifications” has the meaning set forth in Section 6.9(a).

“Trading Day” shall have such meaning as is determined by the Operating Committee. For the avoidance of doubt, the Operating Committee may establish different Trading Days for NMS Stocks (as defined in SEC Rule 600(b)(47), Listed Options, OTC Equity Securities, and any other securities that are included as Eligible Securities from time to time.

“Voting Senior Officer” has the meaning set forth in Section 5.1(a).

Section 1.2. Principles of Interpretation. In this Agreement (including, for the avoidance of doubt, the Exhibits, Appendices, Attachments, Recitals and Schedules identified in this Agreement), unless the context otherwise requires:

- (a) words denoting the singular include the plural and vice versa;
- (b) words denoting a gender include all genders;
- (c) all exhibits, appendices, attachments, recitals, and schedules to the document in which the reference thereto is contained shall, unless the context otherwise requires, constitute an integral part of such document for all purposes;
- (d) a reference to a particular clause, section, article, exhibit, appendix, attachment, recital, or schedule shall be a reference to a clause, section or article of, or an exhibit, appendix, attachment, recital, or schedule to, this Agreement;
- (e) a reference to any statute, regulation, amendment, ordinance or law includes all statutes, regulations, proclamations, amendments or laws varying, consolidating or replacing the same from time to time, and a reference to a statute includes all regulations, policies, protocols, codes, proclamations, interpretations and ordinances issued or otherwise applicable under that statute unless, in any such case, otherwise expressly provided in any such statute or in the document in which the reference is contained;
- (f) a reference to a “SEC Rule” refers to the correspondingly numbered Rule promulgated under the Exchange Act;
- (g) a definition of or reference to any document, instrument or agreement includes an amendment or supplement to, or restatement, replacement, modification or novation of, any such document, instrument or agreement unless otherwise specified in such definition or in the context in which such reference is used;
- (h) a reference to any Person includes such Person’s permitted successors and assigns in that designated capacity;

(F) whether the modification or cancellation instruction was given by the Customer or was initiated by the Industry Member or Participant;

(v) if the order is executed, in whole or in part:

(A) CAT-Order-ID;

(B) date of execution;

(C) time of execution (using timestamps pursuant to Section 6.8);

(D) execution capacity (principal, agency or riskless principal);

(E) execution price and size;

(F) SRO-Assigned Market Participant Identifier of the Participant or Industry Member executing the order;

(G) whether the execution was reported pursuant to an effective transaction reporting plan or the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information; and

(vi) other information or additional events as may be prescribed in

Appendix D, Reporting and Linkage Requirements.

(e) CAT-Reporter-ID.

(i) Each Participant must submit to the Central Repository, on a daily basis,

(A) all SRO-Assigned Market Participant Identifiers used by its Industry Members or itself; and

(B) information to identify (1) each such Industry Member, including CRD number and LEI if such LEI has been obtained, and itself, including LEI, if such LEI has been obtained.

(ii) The Plan Processor will use the SRO-Assigned Market Participant Identifiers and identifying information to assign a CAT-Reporter-ID to each Industry Member or Participant for internal use across all CAT Data in the Central Repository.

(f) Means of Transmission. As contemplated in Appendix D, each Participant may utilize such methods as may be provided by the Plan Processor and approved by the Operating Committee to transmit Participant Data to the Central Repository.

Section 6.4. Data Reporting and Recording by Industry Members. The requirements for Industry Members under this Section 6.4 shall become effective on the second

anniversary of the Effective Date in the case of Industry Members other than Small Industry Members, or the third anniversary of the Effective Date in the case of Small Industry Members, and shall remain effective thereafter until modified or amended in accordance with the provisions of this Agreement and applicable law.

(a) Format. As contemplated in Appendix D, Data Types and Sources, each Participant shall, through its Compliance Rule, require its Industry Members to report Industry Member Data to the Central Repository for consolidation and storage in a format or formats specified by the Plan Processor, approved by the Operating Committee and compliant with SEC Rule 613.

(b) Timing of Recording and Reporting.

(i) As further described in Appendix D, Reporting and Linkage Requirements, each Participant shall, through its Compliance Rule, require its Industry Members to record Recorded Industry Member Data contemporaneously with the applicable Reportable Event.

(ii) Consistent with Appendix D, Reporting and Linkage Requirements, each Participant shall, through its Compliance Rule, require its Industry Members to report: (A) Recorded Industry Member Data to the Central Repository by 8:00 a.m. Eastern Time on the Trading Day following the day the Industry Member records such Recorded Industry Member Data; and (B) Received Industry Member Data to the Central Repository by 8:00 a.m. Eastern Time on the Trading Day following the day the Industry Member receives such Received Industry Member Data. Each Participant shall, through its Compliance Rule, permit its Industry Members to voluntarily report Industry Member Data prior to the applicable 8:00 a.m. Eastern Time deadline.

(c) Applicable Securities.

(i) Each Participant that is a national securities exchange shall, through its Compliance Rule, require its Industry Members to report Industry Member Data for each NMS Security registered or listed for trading on such exchange or admitted to unlisted trading privileges on such exchange.

(ii) Each Participant that is a national securities association shall, through its Compliance Rule, require its Industry Members to report Industry Member Data for each Eligible Security for which transaction reports are required to be submitted to such association.

(d) Required Industry Member Data.

(i) Subject to Section 6.4(c) and Section 6.4(d)(iii) with respect to Options Market Makers, and consistent with Appendix D, Reporting and Linkage Requirements, and the Technical Specifications, each Participant shall, through its Compliance Rule, require its Industry Members to record and electronically report to the Central Repository for each order and each Reportable Event the information referred to in Section 6.3(d), as applicable (“Recorded Industry Member Data”).

(ii) Subject to Section 6.4(c) and Section 6.4(d)(iii) with respect to Options Market Makers, and consistent with Appendix D, Reporting and Linkage Requirements, and the Technical Specifications, each Participant shall, through its Compliance Rule, require its Industry Members to record and report to the Central Repository the following, as applicable (“Received Industry Member Data” and collectively with the information referred to in Section 6.4(d)(i) “Industry Member Data”):

(A) if the order is executed, in whole or in part:

- (1) An Allocation Report;
- (2) SRO-Assigned Market Participant Identifier of the clearing broker or prime broker, if applicable; and
- (3) CAT-Order-ID of any contra-side order(s);

(B) if the trade is cancelled, a cancelled trade indicator; and

(C) for original receipt or origination of an order, the Firm Designated ID for the relevant Customer, and in accordance with Section 6.4(d)(iv), Customer Account Information and Customer Identifying Information for the relevant Customer.

(iii) With respect to the reporting obligations of an Options Market Maker with regard to its quotes in Listed Options, Reportable Events required pursuant to Section 6.3(d)(ii) and (iv) shall be reported to the Central Repository by an Options Exchange in lieu of the reporting of such information by the Options Market Maker. Each Participant that is an Options Exchange shall, through its Compliance Rule, require its Industry Members that are Options Market Makers to report to the Options Exchange the time at which a quote in a Listed Option is sent to the Options Exchange (and, if applicable, any subsequent quote modifications and/or cancellation time when such modification or cancellation is originated by the Options Market Maker). Such time information also shall be reported to the Central Repository by the Options Exchange in lieu of reporting by the Options Market Maker.

(iv) Each Industry Member must submit an initial set of the Customer information required in Section 6.4(d)(ii)(C) for Active Accounts to the Central Repository upon the Industry Member’s commencement of reporting to the Central Repository. Each Industry Member must submit to the Central Repository any updates, additions or other changes to the Customer information required in Section 6.4(d)(ii)(C) on a daily basis for all Active Accounts. In addition, on a periodic basis as designated by the Plan Processor and approved by the Operating Committee, each Industry Member will be required to submit to the Central Repository a complete set of all Customer information required in Section 6.4(d)(ii)(C). The Plan Processor will correlate such Customer information across all Industry Members, use it to assign a Customer-ID for each Customer, and use the Customer-ID to link all Reportable Events associated with an order for a Customer.

(v) Each Participant shall, through its Compliance Rule, require its Industry Members to record and report to the Central Repository other information or additional events as may be prescribed in Appendix D, Reporting and Linkage Requirements.

(vi) Each Industry Member must submit to the Central Repository information sufficient to identify such Industry Member, including CRD number and LEI, if such LEI has been obtained.

(e) Means of Transmission. As contemplated in Appendix D, Data Types and Sources, each Industry Member may utilize such methods as may be provided by the Plan Processor and approved by the Operating Committee to transmit Industry Member Data to the Central Repository.

Section 6.5. Central Repository.

(a) Collection of Data.

(i) The Central Repository, under the oversight of the Plan Processor, and consistent with Appendix D, Central Repository Requirements, shall receive, consolidate, and retain all CAT Data.

(ii) The Central Repository shall collect (from a SIP or pursuant to an NMS Plan) and retain on a current and continuing basis, in a format compatible with the Participant Data and Industry Member Data, all data, including the following (collectively, "SIP Data"):

(A) information, including the size and quote condition, on quotes including the National Best Bid and National Best Offer for each NMS Security;

(B) Last Sale Reports and transaction reports reported pursuant to an effective transaction reporting plan filed with the SEC pursuant to, and meeting the requirements of, SEC Rules 601 and 608;

(C) trading halts, Limit Up/Limit Down price bands, and Limit Up/Limit Down indicators; and

(D) summary data or reports described in the specifications for each of the SIPs and disseminated by the respective SIP.

(b) Retention of Data.

(i) Consistent with Appendix D, Data Retention Requirements, the Central Repository shall retain the information collected pursuant to paragraphs (c)(7) and (e)(7) of SEC Rule 613 in a convenient and usable standard electronic data format that is directly available and searchable electronically without any manual intervention by the Plan Processor for a period of not less than six (6) years. Such data when available to the Participant regulatory staff and the SEC shall be linked.

(ii) The Plan Processor shall implement and comply with the records retention policy contemplated by Section 6.1(d)(i) (as such policy is reviewed and updated periodically in accordance with Section 6.1(d)(i)).

(c) Access to the Central Repository

(i) Consistent with Appendix D, Data Access, the Plan Processor shall provide Participants and the SEC access to the Central Repository (including all systems operated by the Central Repository), and access to and use of the CAT Data stored in the Central Repository, solely for the purpose of performing their respective regulatory and oversight responsibilities pursuant to the federal securities laws, rules and regulations or any contractual obligations.

(ii) The Plan Processor shall create and maintain a method of access to CAT Data stored in the Central Repository that includes the ability to run searches and generate reports. The method in which the CAT Data is stored in the Central Repository shall allow the ability to return results of queries that are complex in nature, including market reconstruction and the status of order books at varying time intervals.

(iii) The Plan Processor shall, at least annually and at such earlier time promptly following a request by the Operating Committee, certify to the Operating Committee that only Participants and the SEC have access to the Central Repository (other than access provided to any Industry Member for the purpose of correcting CAT Data previously reported to the Central Repository by such Industry Member).

(iv) Appendix C, The Security and Confidentiality of Information Reported to the Central Repository, and Appendix D, Data Security, describes the security and confidentiality of the CAT Data, including how access to the Central Repository is controlled.

(d) Data Accuracy

(i) The Operating Committee shall set and periodically review a maximum Error Rate for data reported to the Central Repository. The initial maximum Error Rate shall be set to 5%.

(ii) Consistent with Appendix D, Reporting and Linkage Requirements and Data Security, the Operating Committee shall adopt policies and procedures, including standards, requiring CAT Data reported to the Central Repository be timely, accurate, and complete, and to ensure the integrity of such CAT Data (e.g., that such CAT Data has not been altered and remains reliable). The Plan Processor shall be responsible for implementing such policies and procedures.

(iii) Appendix D, Receipt of Data from Reporters, describes the mechanisms and protocols for Participant Data and Industry Member Data submission for all key phases, including:

(A) file transmission and receipt validation;

- (B) validation of CAT Data; and
- (C) validation of linkages.

(e) Appendix D, Receipt of Data from Reporters, also describes the mechanisms and protocols for managing and handling corrections of CAT Data. The Plan Processor shall require an audit trail for corrected CAT Data in accordance with mechanisms and protocols approved by the Operating Committee.

(f) Data Confidentiality

(i) The Plan Processor shall, without limiting the obligations imposed on Participants by this Agreement and in accordance with the framework set forth in, Appendix D, Data Security, and Functionality of the CAT System, be responsible for the security and confidentiality of all CAT Data received and reported to the Central Repository. Without limiting the foregoing, the Plan Processor shall:

(A) require all individuals who have access to the Central Repository (including the respective employees and consultants of the Participants and the Plan Processor, but excluding employees and Commissioners of the SEC) to agree: (1) to use appropriate safeguards to ensure the confidentiality of CAT Data stored in the Central Repository; and (2) not to use CAT Data stored in the Central Repository for purposes other than surveillance and regulation in accordance with such individual's employment duties; provided that a Participant will be permitted to use the Raw Data it reports to the Central Repository for regulatory, surveillance, commercial or other purposes as permitted by applicable law, rule, or regulation;

(B) require all individuals who have access to the Central Repository (including the respective employees and consultants of the Participants and the Plan Processor, but excluding employees and Commissioners of the SEC) to execute a personal "Safeguard of Information Affidavit" in a form approved by the Operating Committee providing for personal liability for misuse of data;

(C) develop and maintain a comprehensive information security program with a dedicated staff for the Central Repository, consistent with Appendix D, Data Security, that employs state of the art technology, which program will be regularly reviewed by the Chief Compliance Officer and Chief Information Security Officer;

(D) implement and maintain a mechanism to confirm the identity of all individuals permitted to access the CAT Data stored in the Central Repository and maintain a record of all instances where such CAT Data was accessed; and

(E) implement and maintain appropriate policies regarding limitations on trading activities of its employees and independent contractors involved with all CAT Data consistent with Section 6.1(n).

that: (ii) Each Participant shall adopt and enforce policies and procedures

(A) implement effective information barriers between such Participant's regulatory and non-regulatory staff with regard to access and use of CAT Data stored in the Central Repository;

(B) permit only persons designated by Participants to have access to the CAT Data stored in the Central Repository; and

(C) impose penalties for staff non-compliance with any of its or the Plan Processor's policies or procedures with respect to information security.

(iii) Each Participant shall as promptly as reasonably practicable, and in any event within 24 hours, report to the Chief Compliance Officer, in accordance with the guidance provided by the Operating Committee, any instance of which such Participant becomes aware of: (A) noncompliance with the policies and procedures adopted by such Participant pursuant to Section 6.5(e)(ii); or (B) a breach of the security of the CAT.

(iv) The Plan Processor shall:

(A) ensure data confidentiality and security during all communications between CAT Reporters and the Plan Processor, data extractions, manipulation and transformation, loading to and from the Central Repository and data maintenance by the Central Repository;

(B) require the establishment of secure controls for data retrieval and query reports by Participant regulatory staff; and

(C) otherwise provide appropriate database security for the Central Repository.

(v) The Company shall endeavor to join the FS-ISAC and comparable bodies as the Operating Committee may determine.

(g) Participants Confidentiality Policies and Procedures. The Participants shall establish, maintain and enforce written policies and procedures reasonably designed to (1) ensure the confidentiality of the CAT Data obtained from the Central Repository; and (2) limit the use of CAT Data obtained from the Central Repository solely for surveillance and regulatory purposes. Each Participant shall periodically review the effectiveness of the policies and procedures required by this paragraph, and take prompt action to remedy deficiencies in such policies and procedures.

(h) A Participant may use the Raw Data it reports to the Central Repository for regulatory, surveillance, commercial or other purposes as otherwise not prohibited by applicable law, rule or regulation.

Section 6.6. Written Assessments, Audits and Reports.

(a) One-Time Written Assessments and Reports. The Participants shall provide the SEC with the following written assessments, audits and reports:

(i) at least one (1) month prior to submitting a rule filing to establish initial fees for CAT Reporters, an independent audit of fees, costs, and expenses incurred by the Participants on behalf of the Company prior to the Effective Date of the Plan that will be publicly available;

(ii) within six (6) months of effectiveness of the Plan, an assessment of the clock synchronization standard, including consideration of industry standards based on the type of CAT Reporter, Industry Member and type of system, and propose any appropriate amendment based on this assessment;

(iii) within twelve (12) months of effectiveness of the Plan, a report detailing the Participants' consideration of coordinated surveillance (e.g., entering into 17d-2 agreements or regulatory services agreements);

(iv) within 24 months of effectiveness of the Plan, a report discussing the feasibility, benefits, and risks of allowing an Industry Member to bulk download the Raw Data it submitted to the Central Repository;

(v) within 36 months of effectiveness of the Plan, an assessment of errors in the customer information submitted to the Central Repository and whether to prioritize the correction of certain data fields over others;

(vi) within 36 months of effectiveness of the Plan, a report on the impact of tiered-fees on market liquidity, including an analysis of the impact of the tiered-fee structure on Industry Members' provision of liquidity; and

(vii) prior to the implementation of any Material Systems Change, an assessment of the projected impact of such Material Systems Change on the maximum Error Rate.

(b) Regular Written Assessment of the Plan Processor's Performance.

(i) Requirement.

(A) Annually, or more frequently in connection with any review of the Plan Processor's performance under this Agreement pursuant to Section 6.1(n), the Participants shall provide the SEC with a written assessment of the operation of the CAT that meets the requirements of SEC Rule 613, Appendix D, and this Agreement.

Exhibit 2

CONSOLIDATED AUDIT TRAIL REPORTER AGREEMENT

This Consolidated Audit Trail Reporter Agreement (this “Agreement”) by and between CAT Reporter (as defined below) and Consolidated Audit Trail, LLC (“CATLLC”, and, together with CAT Reporter, the “Parties”) is entered into as of the date and time this Agreement is executed by CAT Reporter (“Effective Time”).

WHEREAS, CAT Reporter desires to access and use the CAT System to comply with its obligations under the CAT NMS Plan, SEC Rule 613 and self-regulatory organization (“SRO”) rules, as applicable, and CATLLC is making the CAT System available to CAT Reporter pursuant to the terms and conditions of this Agreement.

WHEREAS, the CAT System is operated by the Plan Processor on behalf of CATLLC.

NOW, THEREFORE, in consideration of the mutual terms contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

1.1. Capitalized terms used in this Agreement but not otherwise defined herein have the meanings ascribed to such terms in the CAT NMS Plan, a copy of which is available on the Website.

1.2. For the avoidance of doubt, the definitions set forth in this Agreement shall prevail in the event of any conflict with the definitions set forth in the CAT NMS Plan:

“Authorized User” means an individual user who (a) is authorized to access the Central Repository by CAT Reporter and (b) satisfies (i) the applicable security obligations set forth from time to time on the Website and (ii) any other requirements CATLLC determines, in its sole discretion, to be necessary or appropriate from time to time and communicates to CAT Reporter via electronic notification.

“CAT Reporter” means the Industry Member or Participant that enters into this Agreement.

“CAT Reporting Agent” means a third party entity (including an Affiliate of the CAT Reporter) engaged by CAT Reporter to report CAT Data to the Central Repository on behalf of CAT Reporter. For purposes of this Agreement, employees and contractors of a CAT Reporting Agent reporting CAT Data to the Central Repository on behalf of CAT Reporter shall be considered Authorized Users of CAT Reporter under this Agreement.

“Copy” means any paper, disk, tape, film, memory device, or other material or object on or in which any words, object code, source code or other symbols are written, recorded or encoded, whether permanent or transitory.

“Governmental Entity” means any (a) federal, state, local or foreign government or any court, arbitral tribunal, administrative agency or commission or governmental or regulatory authority acting under the authority of the federal or any state, local or foreign government of competent jurisdiction or (b) any SRO with regulatory authority over CAT Reporter pursuant to the Exchange Act.

“Law” means any law, declaration, decree, directive, common law, legislative enactment, regulation, order, ordinance, rule, guidance, guideline or other binding restriction or requirement of or by any Governmental Entity, as may be amended, changed or updated from time to time.

“Person” means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, bank, association, cooperative, trust, estate, government, Governmental Entity or other entity of any nature.

“Technical Specifications” means the technical specifications for the CAT System that have been adopted and published by Plan Processor following approval by CATLLC.

“Website” means the website maintained by CATLLC for the CAT NMS Plan, currently available at <https://catnmsplan.com>, including any successor website.

2. PROVISION OF CAT SYSTEM

2.1. CAT System. Subject to the terms of this Agreement, CATLLC hereby grants CAT Reporter access to the CAT System and the ability to use the CAT System. CAT Reporter may access and use the CAT System only for the purpose of submitting CAT Data related to its business operations and correcting

such CAT Data as provided in Section 3.3 and, in the event that CAT Reporter is a Participant, for such other uses as set forth in the CAT NMS Plan. CAT Reporter expressly consents to CATLLC's use of the submitted CAT Data for any purpose authorized by the CAT NMS Plan.

2.2. Authorized Users. CAT Reporter shall designate a "Super Account Administrator" who shall be responsible for establishing user names and initial passwords (each, "Access Credentials") for each account administrator account and each user account required by CAT Reporter. CAT Reporter is solely responsible for ensuring the security of Access Credentials and ensuring that each Authorized User accesses the CAT System using only the Access Credentials assigned to such Authorized User. Upon the request of CATLLC or the Plan Processor, CAT Reporter shall provide to CATLLC or the Plan Processor (as applicable) a complete list of its current Authorized Users. CAT Reporter shall be solely responsible for any action or inaction of any of its Authorized Users. CAT Reporter shall ensure that the Super Account Administrator disables user access for any Authorized User no longer authorized to access the CAT System. CAT Reporter shall notify CATLLC and Plan Processor promptly (but in any event within two (2) business days) after becoming aware that any Access Credentials are, or are suspected of being, lost, stolen or compromised. CAT Reporter shall remain responsible for any actions taken using Access Credentials until such Access Credentials are disabled. CAT Reporter shall also notify CATLLC and Plan Processor of the termination and/or replacement of CAT Reporter's Super Account Administrator.

2.3. CAT Reporter Contact Information. As part of the registration process for access to and use of the CAT System, CAT Reporter shall provide accurate contact information, including a notice address that CATLLC may use for any notice to CAT Reporter in accordance with Section 7.1, and shall promptly update such contact information and notice address upon any change to such contact information or notice address.

2.4. CAT Reporting Agents. In the event CAT Reporter elects to engage a CAT Reporting Agent to report CAT Data to the Central Repository on behalf of CAT Reporter, CAT Reporting Agent must enter into a written agreement with CATLLC pursuant to which CAT Reporting Agent agrees to fulfill the obligations of CAT Reporter under the applicable Participant's Compliance Rules. CAT Reporter acknowledges that CAT Reporting Agent will not be provided the ability to act on behalf of CAT Reporter

absent such a written agreement. CAT Reporter remains responsible for compliance with the requirements of the applicable Participant's Compliance Rules, notwithstanding the existence of an agreement described in this Section 2.4.

2.5. Limitations on Use of the CAT System. CAT Reporter shall not do, attempt to do, nor authorize or permit any other Person to do, any of the following (directly or indirectly) (provided that nothing in this Section 2.5 is intended to limit any regulatory access and use permitted under the Plan):

(a) use the CAT System for any purpose, at any location or in any manner not specifically authorized by this Agreement;

(b) use the CAT System in any manner that would violate any applicable Law;

(c) disclose any Access Credentials to any Person other than to the Authorized User to which such Access Credentials apply;

(d) make or retain any Copy of any portion of the CAT System or any CAT Data except as specifically authorized by this Agreement;

(e) create or recreate any source code for the CAT System, or re-engineer, reverse engineer, decompile or disassemble or otherwise attempt to discover any source code, trade secret, algorithm, design or architecture or interface that comprises any portion of the CAT System;

(f) modify, adapt, translate or create derivative works based upon any portion of the CAT System (other than the APIs provided by the Plan Processor that are designed for integration into software systems of the CAT Reporters and the use of which is required to meet to the obligations of the Plan) or its documentation, or combine or merge any portion of the CAT System (other than such Plan Processor APIs) or its documentation with or into any other software or documentation;

(g) refer to or otherwise use any portion of the CAT System as part of any effort to develop a program having any functional attribute, visual interface or other feature similar to those of the CAT System;

(h) remove, erase or tamper with any copyright or other proprietary notice printed or stamped on, affixed to, or encoded or recorded in the

CAT System, or fail to preserve all copyright and other proprietary notices in any Copy of any materials from, or relating to, the CAT System made by CAT Reporter;

(i) disclose any result of testing or benchmarking of the CAT System;

(j) sell, market, license, sublicense, distribute or otherwise grant to any Person, including any outsourcer, vendor, consultant or partner, other than an Authorized User or a CAT Reporting Agent, any right to use the CAT System or allow such other Person, other than an Authorized User or a CAT Reporting Agent, to use or have access to the CAT System, whether on CAT Reporter's behalf or otherwise;

(k) use the CAT System to conduct any type of service bureau or time-sharing operation or to provide remote processing, network processing, network telecommunications or similar services to any Person, whether on a fee basis or otherwise; or

(l) take or authorize any action or omission that could detrimentally interfere with the proper workings of the CAT System.

2.6. Notice of Breaches. CAT Reporter shall promptly give written notice to CATLLC and Plan Processor of any actual or suspected breach of any of the provisions of Section 2.5, whether or not intentional.

2.7. Regulatory Access. From and after the Effective Time, the records regarding CAT Reporter, if any, that are maintained or produced by the CAT System under this Agreement will be made available for examination, analysis and audit by Governmental Entities that have jurisdiction over CAT Reporter, and CAT Reporter expressly consents to such disclosure and use.

2.8. Disclosure Restrictions. To the extent CAT Reporter receives nonpublic, proprietary or confidential information from CATLLC, CAT Reporter shall not disclose or use such nonpublic, proprietary or confidential information unless such disclosure or use is required to meet its reporting obligations.

2.9. Plan Processor and Other Subcontractors. Services to be provided by CATLLC to CAT Reporter under this Agreement may be performed by the Plan Processor or any other subcontractor of CATLLC or the Plan Processor. In furtherance of the performance

of such services, the Plan Processor or such other subcontractor may require access to CAT Reporter's information or data. CAT Reporter hereby authorizes CATLLC to release CAT Reporter's information or data to the Plan Processor or any such other subcontractor in furtherance of the performance of services under this Agreement and agrees that CATLLC shall have no liability arising from such release or use of CAT Reporter's information or data.

2.10. Modifications. CATLLC reserves the right to modify, revise or update the CAT System, including to accommodate technology advances or changes in Law and will notify CAT Reporter of any such change that impacts CAT Reporters. Modifications, revisions or updates to the CAT System may result in changes in the Technical Specifications of the CAT System.

2.11. No Interference with Operation of the CAT System. No right or remedy granted to CAT Reporter by any provision of this Agreement shall be deemed or permitted to allow any relief that would in any way interfere with the operation of the CAT System.

3. CAT REPORTER'S OBLIGATIONS

3.1. Procurement of Access. CAT Reporter shall be responsible, at its expense, for procuring and maintaining the computer hardware, access to communications systems (such as private-line transport), software or other items necessary for CAT Reporter to submit data to the CAT System as set forth in the Technical Specifications.

3.2. CAT Data. CAT Reporter shall submit all CAT Data that CAT Reporter is required by the Plan to submit to the CAT System. CAT Reporter shall transmit such CAT Data to the CAT System electronically in the format prescribed by the Plan Processor from time to time in the Technical Specifications. CAT Reporter is solely responsible for ensuring that any information or data that CAT Reporter submits to the CAT System is accurate and complete. CAT Reporter shall maintain copies of all source data and current backup copies of all information and data submitted to the CAT System as required by the Plan. None of CATLLC or its Representatives shall have any liability for any loss or damage caused by CAT Reporter's failure to maintain any copy thereof.

3.3. Correction of Data. CAT Reporter shall correct all errors in CAT Data, or inaccurate CAT Data submitted to the CAT System as provided in the Plan and Technical Specifications. In the event that CAT Reporter is an Industry Member, CAT Reporter may

access CAT Data submitted by or on behalf of such Industry Member solely for the purpose of making such corrections.

3.4. CAT Reporter Compliance. CAT Reporter shall ensure that it and each of its Authorized Users: (a) use appropriate safeguards to ensure the confidentiality of CAT Data and (b) do not use CAT Data stored in the Central Repository for any purpose other than a purpose expressly authorized by the CAT NMS Plan. Without limiting the foregoing, CAT Reporter shall comply with the applicable security obligations set forth from time to time on the Website. CAT Reporter shall comply with all applicable Laws and obtain all necessary consents from any Person, including any of its employees, customers or other third parties from whom CAT Reporter collects information or data, if any, regarding the collection, use and distribution of such information or data to the CAT System. The information or data may include personal or other information about CAT Reporter, or any of its employees, customers or other third parties. CAT Reporter agrees that CATLLC may use this information or data to carry out its obligations with respect to the operation of the CAT System, including the provision of such information or data to the Plan Processor, the Participants, other subcontractors or any Governmental Entity.

4. PAYMENTS

4.1. Fees. CAT Reporter understands that CATLLC intends to charge fees once it receives SEC approval for such fees. Such fees may be changed from time to time pursuant to fee filings made with the SEC. Information on any fee filings and SEC-approved fees will be provided on the Website.

4.2. Taxes. The fees and other amounts payable by CAT Reporter to CATLLC under this Agreement do not include any taxes of any jurisdiction that may be assessed or imposed upon the services provided under this Agreement, or otherwise assessed or imposed in connection with the transactions contemplated by this Agreement, including sales, use, excise, personal property, export, import or withholding taxes, or customs duties, excluding only taxes based upon CATLLC's net income. CAT Reporter shall directly pay any such taxes assessed against it, and CAT Reporter shall promptly reimburse CATLLC for any such taxes payable or collectable by CATLLC.

4.3. Payment Terms. CATLLC shall notify CAT Reporter on a regular basis of any fees due for access to or use of the CAT System. CAT Reporter shall pay the amount due to CATLLC within thirty (30) days

after receipt of such notice (unless CATLLC otherwise specifies a longer payment period). Interest at the rate equal to the lesser of: (a) the Prime Rate plus 300 basis points or (b) the maximum rate permitted by applicable Law shall accrue on any amount not paid by CAT Reporter to CATLLC when due under this Agreement, and shall be payable by CAT Reporter to CATLLC on demand. Any fees or other amounts paid by CAT Reporter under this Agreement are non-refundable.

5. REPRESENTATIONS, WARRANTIES, INDEMNIFICATION AND LIMITATIONS

5.1. Authority. Each Party represents and warrants to the other that such Party has (a) all requisite legal and company power to execute and deliver this Agreement; (b) taken all company or other action necessary for the authorization, execution and delivery of this Agreement; and (c) taken all action required to make this Agreement a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms. The individual executing this Agreement on behalf of CAT Reporter represents and warrants that he/she has the right to execute this Agreement and bind CAT Reporter to the terms and conditions of this Agreement.

5.2. CAT Data. CAT Reporter represents and warrants to CATLLC that CAT Reporter has the full legal right to submit to the CAT System the CAT Data submitted by or on behalf of CAT Reporter to the CAT System. CAT Reporter shall defend, indemnify and hold harmless CATLLC, each of the Participants, the Plan Processor and any other subcontractors of the Plan Processor or CATLLC providing software or services in connection with the CAT System, and any of their respective Affiliates and all of their directors, managers, officers, employees, contractors, subcontractors, advisors and agents ("Representatives") against any third party claim arising out of (a) a breach of the foregoing representation and warranty, (b) a failure by CAT Reporter or any of its CAT Reporting Agents to protect and secure CAT Data under its control, including any PII that is part of the CAT Data, (c) a failure by CAT Reporter or any of its CAT Reporting Agents to protect its own systems from misuse (including from unauthorized use and malware infections) or unauthorized access to the CAT System by or through CAT Reporter's systems, or (d) a failure by CAT Reporter or any of its CAT Reporting Agents to comply with its obligations under this Agreement. Each of CATLLC, the Participants and the Plan Processor and each of their subcontractors shall be considered an intended third-party beneficiary of this

Section 5.2, and each such Person may enforce this Section 5.2 against CAT Reporter.

5.3. Exclusion for Unauthorized Actions. None of CATLLC or its Representatives shall have any liability under any provision of this Agreement with respect to any performance problem, claim of infringement or other matter attributable to any unauthorized or improper access, use or modification of the CAT System by or on behalf of CAT Reporter, any unauthorized combination of the CAT System by CAT Reporter with other software, or any breach of this Agreement by CAT Reporter.

5.4. Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 5.1 OF THIS AGREEMENT, CATLLC MAKES NO REPRESENTATIONS OR WARRANTIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH APPLICABLE LAWS, NON-INFRINGEMENT OR TITLE, SEQUENCING, TIMELINESS, ACCURACY OR COMPLETENESS OF INFORMATION, OR THOSE ARISING BY STATUTE OR OTHERWISE IN LAW, OR FROM A COURSE OF DEALING OR USAGE OF TRADE, REGARDING THE CAT SYSTEM OR ANY OTHER MATTER PERTAINING TO THIS AGREEMENT. CAT REPORTER ACCEPTS SOLE RESPONSIBILITY FOR ITS ACCESS TO AND USE OF THE CAT SYSTEM.

5.5. Limitation of Liability. TO THE EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES SHALL THE TOTAL LIABILITY OF CATLLC OR ANY OF ITS REPRESENTATIVES TO CAT REPORTER UNDER THIS AGREEMENT FOR ANY CALENDAR YEAR EXCEED THE LESSER OF THE TOTAL OF THE FEES ACTUALLY PAID BY CAT REPORTER TO CATLLC FOR THE CALENDAR YEAR IN WHICH THE CLAIM AROSE OR FIVE HUNDRED DOLLARS (\$500.00).

5.6. Damage Exclusion. TO THE EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES SHALL CATLLC OR ANY OF ITS REPRESENTATIVES BE LIABLE TO CAT REPORTER OR ANY OTHER PERSON FOR LOST REVENUES, LOST PROFITS, LOSS OF BUSINESS, OR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, PUNITIVE OR OTHER DIRECT OR INDIRECT DAMAGES OF ANY KIND OR NATURE,

INCLUDING, SUCH DAMAGES ARISING FROM ANY BREACH OF THIS AGREEMENT, OR ANY TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHERWISE, WHETHER OR NOT FORESEEABLE, EVEN IF CAT REPORTER OR ANY OTHER PERSON HAS BEEN ADVISED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.

5.7. Data Exclusion. TO THE EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES SHALL CATLLC OR ANY OF ITS REPRESENTATIVES BE LIABLE FOR ANY INCONVENIENCE CAUSED BY THE LOSS OF ANY DATA, FOR THE LOSS OR CORRUPTION OF ANY CAT REPORTER DATA OR FOR ANY DELAYS OR INTERRUPTIONS IN THE OPERATION OF THE CAT SYSTEM FROM ANY CAUSE.

5.8. Other Limitations. The representations and warranties made by CATLLC in this Agreement, and the obligations of CATLLC under this Agreement, apply only to CAT Reporter and not to any of its Affiliates, any CAT Reporting Agent, any of CAT Reporter's customers or any other third parties. Under no circumstances shall any Affiliate of CAT Reporter, CAT Reporting Agent or any CAT Reporter customer or other third party engaged by CAT Reporter, be considered a third party beneficiary of this Agreement or otherwise entitled to any rights or remedies under this Agreement, even if such Affiliates, customers, or other third parties are provided access to the CAT System or contribute or transmit data to or maintained in the CAT System. CATLLC shall not be deemed CAT Reporter's official record keeper for regulatory or other purposes and shall have no obligation to retain any records or data on CAT Reporter's behalf during the Term or after termination or expiration of this Agreement. No action or claim of any type relating to this Agreement may be brought or made by CAT Reporter more than one (1) year after the date of the event forming the basis for the action or claim. CAT Reporter agrees that the one (1) year period in the preceding sentence may not be tolled for any reason, whether sounding in law or equity.

6. TERM AND TERMINATION

6.1. Term. This Agreement commences at the Effective Time and remains in effect until terminated as provided under this Section 6 ("Term").

6.2. Termination by CAT Reporter. CAT Reporter may immediately terminate this Agreement, by giving notice of termination to CATLLC and to the Plan Processor.

6.3. Termination by CATLLC. CATLLC may immediately terminate this Agreement, by giving notice of termination to CAT Reporter, upon the occurrence of any of the following events: (a) CAT Reporter materially breaches any of its obligations under this Agreement and does not cure the breach within thirty (30) days (provided that the breach is susceptible to cure) after CATLLC gives notice to CAT Reporter describing the breach, except that CATLLC may terminate this Agreement at any time without providing an opportunity to cure the breach by providing notice of termination to CAT Reporter if CAT Reporter commits a breach of Section 2.5 or 3.4, (b) CAT Reporter dissolves or liquidates or otherwise discontinues all or a significant part of its business, (c) any Governmental Entity requires CATLLC to terminate this Agreement or suspend performance hereunder with respect to CAT Reporter, (d) CAT Reporter ceases to be a Participant or Industry Member.

6.4. Effect of Termination. Upon a termination of this Agreement, whether under this Section 6 or otherwise, CAT Reporter shall immediately cease all access and use of the CAT System, disable all Authorized Users and request the Plan Processor to disable all Access Credentials that have not been disabled by CAT Reporter, and shall immediately notify CATLLC in writing that CAT Reporter has taken all such actions. CAT Reporter shall remain liable for all payments due to CATLLC with respect to the period ending on the date of termination. The provisions of Sections 1, 2.5, 2.6, 2.9, 2.11, 4, 5 and 7 and this Section 6.4 shall survive any termination of this Agreement, whether under this Section 6 or otherwise.

6.5. Enforcement. CAT Reporter acknowledges that the restrictions in this Agreement are reasonable and necessary to protect CATLLC's legitimate business interests. CAT Reporter acknowledges that any breach of any of the provisions of this Agreement shall result in irreparable injury to CATLLC for which money damages could not adequately compensate. If there is a breach, then CATLLC shall be entitled, in addition to all other rights and remedies which it may have at law or in equity, to a decree of specific performance or an injunction issued by any competent court, requiring the breach to be cured or enjoining all persons involved from continuing the breach, on use of affidavit evidence or otherwise, and without

furnishing proof of actual damages or posting a bond or other surety.

6.6. Certain Other Remedies. CATLLC may, in its sole discretion and upon written notice to CAT Reporter, suspend performance of any or all of its services under this Agreement (including access to the CAT System) until and unless CATLLC determines, in its sole discretion and upon whatever conditions CATLLC chooses to impose on CAT Reporter, to resume performance of some or all of the suspended services or allow CAT Reporter access to the CAT System.

7. OTHER PROVISIONS

7.1. Notice. Any notice, consent or other communication under or regarding this Agreement shall be in writing and shall be deemed to have been received on the date of actual receipt (a) to CAT Reporter, at the address provided by CAT Reporter in accordance with Section 2.3; (b) to CATLLC, at the address for notices made available by CATLLC on the CAT System from time to time; or (c) to Plan Processor, at the address for notices made available on the CAT System from time to time.

7.2. Parties in Interest. This Agreement shall bind, benefit and be enforceable by and against CATLLC and CAT Reporter and, to the extent permitted hereby, their respective successors and assigns. CAT Reporter shall not assign this Agreement or any of its rights hereunder, nor delegate any of its obligations hereunder, without the prior consent of CATLLC. Any assignment in breach of this Section 7.2 shall be void.

7.3. Export Regulations. This Agreement is expressly made subject to any U.S. government and other applicable Laws regarding export from the U.S. or another country, and import into any country, of computer hardware, software, technical data or other items, or derivatives of such hardware, software, technical data or other items. Notwithstanding anything to the contrary in this Agreement, neither Party will directly or indirectly export (or re-export) any computer hardware, software, technical data or any other item, or any derivative of the same, or permit the shipment of the same: (a) into (or to a national or resident of) Cuba, North Korea, Iran, Sudan, Syria or any other country to which the U.S. has embargoed goods; (b) to anyone on the U.S. Treasury Department's List of Specially Designated Nationals, List of Specially Designated Terrorists or List of Specially Designated Narcotics Traffickers, or the U.S. Commerce Department's Denied Persons List; or

(c) to any Person, country or destination for which the U.S. government or a U.S. governmental agency requires an export license or other authorization for export, without first having obtained any such license or other authorization required.

7.4. Relationship. The relationship between the Parties created by this Agreement is that of independent contractors and not partners, joint venturers or agents.

7.5. Force Majeure. Neither Party shall be liable for, nor shall either Party be considered in breach of this Agreement due to, any failure to perform its obligations under this Agreement (other than its payment obligations) as a result of a cause beyond its control, including any act of God or a public enemy or terrorist, act of any military, civil or regulatory authority, change in any Law, fire, flood, earthquake, storm or other like event, labor problem, unavailability of supplies, or any other cause, whether similar or dissimilar to any of the foregoing, which could not have been prevented by the non-performing Party with reasonable care. CAT Reporter acknowledges that availability of the CAT System is subject to normal system downtime and that none of CATLLC or its Representatives are responsible for delays or inability to access or use services caused by communications problems.

7.6. Entire Understanding. This Agreement states the entire understanding between the Parties with respect to its subject matter, and supersedes all prior proposals, marketing materials, negotiations, representations, agreements and other written or oral communications between the Parties with respect to the subject matter of this Agreement. Any written, printed or other materials that CATLLC provides to CAT Reporter are provided on an “as is” basis, without warranty, and solely as an accommodation to CAT Reporter. In entering into this Agreement, each Party acknowledges and agrees that, except as expressly stated in Section 5, it has not relied on any representations made by the other. Any such representations are excluded.

7.7. Modification and Waiver; Severability. Except as set forth in this Section 7.7, no modification of this Agreement, and no waiver of any breach or obligation of this Agreement, shall be effective unless in writing and signed by an authorized representative of the Party against whom enforcement is sought. This Agreement may not be modified or amended except: (a) with written agreement of the Parties or (b) by CATLLC from time to time upon no less than sixty (60) days’ notice to CAT Reporter. No waiver of any breach or

obligation of this Agreement, and no course of dealing between the Parties, shall be construed as a waiver of any subsequent breach or obligation of this Agreement. A determination that any provision of this Agreement is invalid or unenforceable shall not affect the other provisions of this Agreement.

7.8. Headings; Interpretation; Negotiated Terms. Section headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless the context otherwise requires, “or” shall be construed in the inclusive sense. The words “including”, “include” or “includes” whether capitalized or not, means “including but not limited to”. This Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement. Unless stated otherwise, all references to a date or time of day in this Agreement are references to that date or time of day in New York, New York. If any date specified in this Agreement as the only day, or the last day, for taking action falls on a day that is not a business day, then that action may be taken on the next business day.

7.9. Arbitration. ANY DISPUTE, CONTROVERSY OR CLAIM ARISING FROM OR RELATING TO THIS AGREEMENT SHALL BE FULLY AND EXCLUSIVELY FINALLY SETTLED BY AN ARBITRATION HELD IN THE CITY OF NEW YORK, STATE OF NEW YORK, U.S., UNDER THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN EFFECT FROM TIME TO TIME. The arbitrator may grant any remedy that the arbitrator deems just and equitable within the scope of this Agreement, except that the arbitrator may not, under any circumstance, grant a remedy inconsistent with or in violation of the limitations of liability in Section 5. The award of the arbitrator shall be final and binding, and judgment thereon may be entered in any court having jurisdiction. The prevailing Party in any proceeding commenced in connection with the subject matter of this Agreement shall be entitled to recover its reasonable attorneys’ fees (including, if applicable, charges for in-house counsel), arbitration costs and other legal expenses from the other Party, as the arbitrator shall determine.

7.10. Third Party Beneficiaries. Except as explicitly set forth herein, nothing in this Agreement is intended to or shall confer upon any other Person any legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement, and except as explicitly set forth herein, no person or entity

is intended to be or is a third party beneficiary of any of the provisions of this Agreement.

7.11. Governing Law. THIS AGREEMENT, AND ALL MATTERS BETWEEN CATLLC AND CAT REPORTER ARISING OUT OF OR RELATING TO THIS AGREEMENT, SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY LAWS, RULES OR PROVISIONS THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY

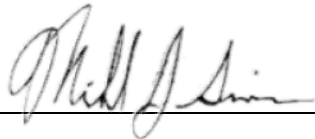
JURISDICTION OTHER THAN THOSE OF THE STATE OF NEW YORK.

7.12. Counterparts; Electronic Signatures. The Parties may execute this Agreement in multiple counterparts, each of which when executed by a Party's authorized representative is an original counterpart and all of which together constitute one agreement. The Parties agree that this Agreement may be signed using an electronic signature (as defined in 15 U.S.C. § 7006).

Remainder of page intentionally blank.

The Parties have caused this Consolidated Audit Trail Reporter Agreement to be executed by their respective duly authorized representatives.

Consolidated Audit Trail, LLC

By: 

Name: Michael J. Simon

Title: Chair, Consolidated Audit Trail, LLC
Operating Committee

CAT Reporter:

(Legal name)

By: _____

Name: _____

Title: _____

Date: _____

OrgID: _____

Address: _____

Exhibit 3

Industry Member Testing Update

1. Industry Member Limited Testing Acknowledgement Form	1
2. Data Obfuscation	1
3. Entitlement for Live Data Submission Privileges	2
4. Production Entitlement	2

Summary

Before Industry Member (IM) CAT Reporters can be entitled to access the CAT Reporter Portal and the IM Test Environment and submit data for testing, they have been required to sign a CAT Reporter Agreement. Upon signing the CAT Reporter Agreement and being granted access to the IM Test Environment, an IM CAT Reporter may submit (directly or via a CAT Reporting Agent) fabricated test data or obfuscated production data (“Test Data”) or production data to the IM Test Environment, as the environment is a production-equivalent environment. To facilitate testing, beginning December 20, 2019, an IM CAT Reporter that has not yet signed the CAT Reporter Agreement will only be allowed to be entitled to the IM Test Environment if it signs an IM Limited Testing Acknowledgement Form. IM CAT Reporters that choose to sign the IM Limited Test Acknowledgement Form before signing the CAT Reporter Agreement may only submit Test Data and may not submit production data. It will be the responsibility of the IM CAT Reporter to ensure only Test Data is submitted to the CAT System.

1. Industry Member Limited Testing Acknowledgement Form

If an IM CAT Reporter determines to test with only Test Data, it must complete an IM Limited Testing Acknowledgement Form. Detailed steps to complete and submit this form and obtain limited testing entitlement are contained in the updated [Onboarding Guide](#). If an IM CAT Reporter has already completed the CAT Reporter Agreement and plans to test with production data, that IM CAT Reporter need not take any additional action at this time and does not need to sign the IM Limited Testing Acknowledgement Form.

As noted, the new IM Limited Testing Acknowledgement Form and limited entitlement privileges will be available beginning December 20, 2019.

2. Data Obfuscation

While no particular obfuscation methodology will be required for IM CAT Reporters that choose to test with obfuscated production data, any methodology used should ensure that the actual terms and

conditions of any particular transaction record cannot be determined. For example, the date, price, share quantity, buy/sell code, capacity, FDID or security symbol (as long it is changed to another valid symbol on the applicable transaction date) could be changed prior to submitting data. IM CAT Reporters should note that all production validations detailed in the IM Technical Specifications are in effect in the IM Test Environment, including, among others, IMID and issue symbol validations so actual IMIDs and issue symbols must be used or records will not pass reference data validations. Each IM CAT Reporter is solely responsible for employing adequate obfuscation.

3. Entitlement for Live Data Submission Privileges

An IM CAT Reporter must sign the [CAT Reporter Agreement](#) in order to submit production data to the IM Test Environment. An IM CAT Reporter may change from a “limited testing” submitter to a “fully entitled” submitter at any time by completing the CAT Reporter Agreement and notifying the FINRA CAT Helpdesk in accordance with the [Onboarding Guide](#).

4. Production Entitlement

As outlined in the [Onboarding Guide](#), each IM CAT Reporter must complete a production readiness test using a full day of live production data before being entitled to the CAT production environment. **This requirement has not changed.** An IM CAT Reporter will need to ensure this production readiness test is completed or it will not be entitled to production. As noted in the [Onboarding Guide](#), the production readiness test must be completed by April 6, 2020, for equity securities and by May 4, 2020, for firms that only trade options (Note: for firms that trade both equities and options, once a production readiness test has been completed for equities, a second test is not required for options). Signing the IM Limited Test Acknowledgement Form does not change any of the regulatory deadlines for an IM CAT Reporter to meet its CAT reporting obligations.

Exhibit 4

Public Statement

Statement on Status of the Consolidated Audit Trail

Chairman Jay Clayton

Sept. 9, 2019

Today, the Commission proposed amendments to the national market system (“NMS”) plan governing the consolidated audit trail (“CAT NMS Plan”). The amendments are designed to bring greater transparency and financial accountability to the development of the consolidated audit trail (“CAT”) by FINRA and the national securities exchanges (collectively, the “SROs”). A discussion of the proposed amendments is available [here](#).

This is also an appropriate time to provide investors, market participants and the public with an update on the SROs’ efforts to develop and implement the CAT, including in the area of cybersecurity and the protection of sensitive information.

CAT Implementation Status

The CAT is intended to enhance regulatory oversight of our securities markets. Our equities and options markets operate through multiple exchanges and other venues and the CAT will facilitate cross-market oversight and analysis, thereby improving investor protection and market integrity. In 2016, the Commission approved the CAT NMS Plan prepared by the SROs, which set forth deadlines for the CAT’s implementation beginning in November 2017. The SROs have not met the CAT NMS Plan deadlines for the implementation of the CAT.

That said, recently, some progress has been made. For example, the SROs began reporting certain data to the CAT, the SROs have published final specifications for the initial reporting of equities and options to facilitate broker-dealer reporting and the SROs and the broker-dealer industry are working together to develop ways to conduct Large Trader Reporting through the CAT. Today’s proposed amendments^[1] to the CAT NMS Plan are designed to facilitate additional progress by providing important transparency and information to market participants, investors and the public generally, as well as establishing financial accountability provisions based on implementation milestone dates.

Cybersecurity and the Protection of Sensitive Information

The protection of sensitive information submitted to the CAT is of paramount importance, and I share many of the concerns that have been raised about the protection of any investors’ personally identifiable information (“PII”) that would be stored in the CAT.

More specifically, the Commission and the SROs must be mindful of the volume of data that the CAT collects, and its sensitive nature, and be responsible in their collection and use of that data. To that end, I support the SROs’ ongoing efforts to address various PII and data protection concerns. I understand that one approach the SROs are currently considering is the removal of social security numbers, account numbers and dates of birth from the CAT. I look forward to seeing more details about this approach, which merits serious consideration. I believe that the regulatory objectives of the CAT can still be achieved without these most sensitive pieces of investor information. However, I recognize the need to retain other data elements that have proven necessary to support market surveillance and investigations.

Make no mistake, even if the SROs significantly reduce the scope of PII included in the CAT, the nature of the data to be included in the CAT necessitates robust security protections. The CAT NMS Plan developed by the SROs includes specific security requirements designed to mitigate the risk of a breach of the CAT and the possibility of misuse of data reported to the CAT. The security features required by the CAT NMS Plan include, among other things: (i) the encryption of PII and all other CAT data, as well as a System Security Plan; (ii) adherence to the NIST 800-53 security standards, a set of security and privacy controls for federal information systems and organizations; (iii) incorporation of tools that will enable logging, auditing and access controls for the CAT system; (iv) secure methods of connectivity; and (v) development of a Cyber Incident Response Plan.

Further, with regard to the use of the CAT by the SEC, as I have previously noted, the SEC will not retrieve any PII from the CAT unless there is a regulatory need for the information and we are confident that there are appropriate protections in place to safeguard the information. Looking ahead, I believe we can and should take additional steps to ensure the security and confidentiality of CAT data, including in response to developments in data systems and cybersecurity. To that end, and recognizing the significant interest in this issue, I have asked the staff to regularly review the security posture of the CAT and advise the Commission if additional amendments to the CAT NMS Plan or other steps are necessary or advisable to further enhance CAT data security.

Conclusion

I believe that the next six to twelve months will be critical for moving the CAT from concept to reality. I urge the SROs to continue their efforts to work cooperatively with each other and with the industry to fulfill their obligations under the CAT NMS Plan as promptly as practicable, always keeping front of mind the importance of cybersecurity and the protection of sensitive data.

[1] <https://www.sec.gov/rules/proposed/2019/34-86901.pdf>

Related Materials

- [Press Release](#)
- [Proposed Rule](#)

Exhibit 5

Public Statement

Update on Consolidated Audit Trail; Temporary COVID-19 Staff No-Action Letter; Reducing Cybersecurity Risks



Chairman Jay Clayton

March 17, 2020

The consolidated audit trail (“CAT”) is intended to enhance regulatory oversight of our securities markets. Our equities and options markets operate through multiple exchanges and other venues and the CAT will facilitate cross-market oversight and analysis, thereby improving investor protection and market integrity. The CAT NMS Plan governing the CAT was approved in November 2016 and required the development of the CAT by FINRA and the national securities exchanges (collectively, the “SROs”). According to the CAT NMS Plan, broker-dealers were to start reporting to the CAT by November 2018. While the SROs were unable to establish an operational CAT by November 2018, the SROs have made progress with respect to testing in advance of broker-dealer reporting including opening the test environment for broker-dealer reporting in December 2019 and continued roll-out of functionality into that environment earlier this year.

Temporary COVID-19 Staff No Action Letter

At this time, a wide range of broker-dealers are actively testing and refining their ability to report to CAT. COVID-19’s impact on market participants, including necessitating SROs and broker-dealers to implement their business continuity plans, has placed stress on their information technology infrastructure and required the deployment of significant resources, including to implement and adapt business continuity plans. To allow firms to maintain focus on operational readiness and reduce operational risk, SEC staff has issued a *no-action letter* regarding the SROs’ enforcement of their CAT compliance rules through May 20, 2020 so that personnel who are working on CAT matters but are important to maintaining critical operations and implementing business continuity plans can focus their attention on those immediate needs.

Reducing CAT Cybersecurity Risks

While the SEC staff has provided a temporary *no-action letter* with respect to certain CAT compliance rules in response to COVID-19’s impact on market participants, the SEC remains committed to establishing a fully operational CAT. It is important that CAT implementation becomes a reality. A critical step towards doing so is ensuring the protection of sensitive information submitted to the CAT, particularly retail investors’ personally identifiable information. This issue has been, and will remain, of paramount importance.

I believe the CAT’s regulatory objectives can be achieved without collection of the most sensitive pieces of retail investor information. It is important to minimize the impact of any potential data breaches, while also evaluating the need for cybersecurity improvements to the CAT.

To that end, today the Commission issued relief that exempts the SROs from collecting or retaining certain retail customer data, including (1) individual social security numbers or individual tax payer identification numbers (collectively, “SSNs”); (2) dates of birth and (3) account numbers. Instead of including these most sensitive pieces of personally identifiable information in the CAT, broker-dealers would be required to report an account holder’s name, address, and birth year. Given the limitation of personally identifiable information to “phone book”-type information, I believe this represents an important step in significantly reducing the risk of retail investor identity theft associated with the CAT.[1] This is a significant step towards standing up the CAT.

Additionally, I understand and share the concern regarding the risk and impact of potential data breaches.

While the CAT NMS Plan currently has extensive security requirements,[2] I believe we can and should consider taking additional steps to ensure the security and confidentiality of CAT data, including in response to developments in data systems and cybersecurity since the 2016 adoption of the CAT NMS Plan. I have asked the staff to prepare a recommendation for the Commission on improving the data security requirements in the CAT NMS Plan this year.[3] In developing the recommendation, I have asked that staff consider the following questions:

- Are there alternatives to “bulk downloading” data by each SRO that would better secure CAT data?
- What are the risks of proliferation of CAT data across multiple environments?
- Are there additional data security issues regarding the use of CAT data for regulatory purposes that should be addressed?
- How will access to customer and account information be addressed to restrict access to the greatest extent possible while still preserving the ability to achieve regulatory purposes?
- Is oversight of Plan Processor security decisions effective and comprehensive?
- To what extent can there be additional transparency regarding the security of CAT and the use of CAT data without making the CAT system vulnerable to bad actors?
- Are there additional security measures that would enhance the security of CAT data, both within and outside of the CAT system?

Conclusion

We will continue to closely monitor the impact of COVID-19 on our markets more generally as well as on the roll-out of CAT. In addition, with the issuance of the cybersecurity-enhancing exemptive relief, we take another significant step towards a more secure CAT. As we look towards further efforts in this area, I believe we should continue to have data security as our priority while preserving the intended regulatory value of CAT.

[1] Birth year information is included, among other reasons, to facilitate the detection of senior investor fraud.

[2] The security features required by the CAT NMS Plan include, among other things: (1) the encryption of customer data and all other CAT data, as well as a System Security Plan; (2) adherence to the NIST 800-53 security standards, a set of security and privacy controls for federal information systems and organizations; (3) incorporation of tools that will enable logging, auditing and access controls for the CAT system; (4) secure methods of connectivity; and (5) development of a Cyber Incident Response Plan.

[3] See U.S. Sec. and Exch. Commission Agency Rule List (Fall 2019), available at https://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST¤tPub=true&agencyCode=&showStage=active&agencyCd=3235

Exhibit 6



November 11, 2019

The Honorable Jay Clayton
Chairman
U.S. Securities & Exchange Commission
100 F Street, N.W.
Washington, D.C. 20549

Re: Consolidated Audit Trail – Liability and Access Issues

Dear Chairman Clayton:

Thank you for your continued engagement with SIFMA on the development of the Consolidated Audit Trail (“CAT”). This letter is to follow up on recent communications we have had with your office, including with Manisha Kimmel, as well as with Brett Redfearn on the CAT Reporter Agreement that the self-regulatory organizations (“SROs”) are requiring broker-dealers to sign. In addition, we continue to have significant concerns about the potential access to CAT data by the SROs.

We believe the SROs’ exemptive request to limit the CAT’s collection of personally identifiable information, or “PII” to customer name, address, and year of birth, is an important step in reducing the CAT’s PII risk, and we encourage the Securities and Exchange Commission (“Commission”) to grant that request. In addition, our firms are preparing diligently for CAT reporting, are they are hoping that the Commission can help us find a way to allow broker-dealers to establish connectivity and be ready for testing of their CAT reporting. In the meantime, however, recent events have highlighted the need for the Commission to address issues of liability and access in connection with the CAT.

The SROs have prepared a CAT Reporter Agreement for broker-dealers reporting to the CAT Processor, which will be operated by FINRA CAT LLC.¹ The SROs will not allow broker-dealers to establish any connectivity to the CAT Processor or conduct any test reporting unless they execute the agreement. However, the agreement includes provisions effectively shielding

¹ The CAT Reporter Agreement is available at [https://www.catnmsplan.com/wp-content/uploads/2019/09/Consolidated-Audit-Trail-Reporter-Agreement\(08-29-19%20FINAL\).pdf](https://www.catnmsplan.com/wp-content/uploads/2019/09/Consolidated-Audit-Trail-Reporter-Agreement(08-29-19%20FINAL).pdf).

the SROs from any liability in connection with CAT reporting. Specifically, Section 5.5 of the CAT Reporter agreement states:

TO THE EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES SHALL THE TOTAL LIABILITY OF CATLLC OR ANY OF ITS REPRESENTATIVES TO CAT REPORTER UNDER THIS AGREEMENT FOR ANY CALENDAR YEAR EXCEED THE LESSER OF THE TOTAL OF THE FEES ACTUALLY PAID BY CAT REPORTER TO CATLLC FOR THE CALENDAR YEAR IN WHICH THE CLAIM AROSE OR FIVE HUNDRED DOLLARS (\$500.00).

We have had numerous communications with the SROs about our objections to the CAT Reporter Agreement based on liability issues, including a telephone conference of October 23, 2019. To date, the SROs' response has been simply that firms have previously signed regulatory agreements with similar limitations on liability. However, the CAT is a much different, and much more extensive reporting system. Our member firms will be reporting a significant amount of sensitive transaction data and, ultimately, a significant amount of sensitive customer information. In other circumstances, the firms would conduct extensive due diligence of the party receiving the information, which they are not permitted to do with the CAT Processor.

In addition, we now have reason to understand that the SROs plan to engage in bulk downloading of CAT data from the CAT Processor from the outset of CAT reporting, which is scheduled to begin in early 2020. This is surprising, and until very recently, we had understood that the CAT Processor would develop a secure analytics environment to allow the SROs to use the CAT data without bulk downloading. While the CAT NMS Plan allows for such downloading, SIFMA has repeatedly objected to the ability of SROs to download CAT data onto their own systems. Furthermore, we continue to advocate for strict limitation of access to such data, including within a separate, secure environment maintained by the CAT Processor. As a result, broker-dealers signing the CAT Reporter Agreement would be waiving claims of liability not only against the CAT Processor, but also against the two dozen SROs that would be downloading the data.

These recent actions by the SROs are simply unacceptable. The Commission should direct the SROs to remove the liability provisions of the CAT Reporter Agreement and address liability issue separately and comprehensively. At the very least, the Commission should direct the SROs to allow firms to set up connectivity and testing without an agreement, or with a streamlined agreement that addresses the necessities of connectivity, without limiting the reporting firms' liability protections.

SIFMA has raised issues about liability and access to the Commission multiple times. Our June 19, 2019 letter to you provides detailed recommendations on liability and access in connection with the CAT. These are critical issues, and they should be addressed in a serious and comprehensive manner, not through a contract of adhesion that broker-dealers are required to

sign under threat of regulatory action. Once again, we recommend that the Commission take the following actions to lead to smooth and expeditious CAT implementation:

Liability:

- The Commission should direct the SROs to amend the CAT NMS Plan (or amend the CAT NMS Plan itself) to waive regulatory immunity for data breach claims, thereby allowing broker-dealers or customers to seek indemnification or pursue a lawsuit against the SROs. In the alternative, the Commission should direct FINRA CAT not to assert regulatory immunity for data breach claims arising out of FINRA CAT’s role as the CAT plan processor or amend the CAT NMS Plan to include such a provision.
- The Commission should direct (or amend the CAT NMS Plan to direct) the SROs to establish a mechanism to reimburse broker-dealers for reasonable expenses arising out of a CAT data breach. Examples of such a mechanism would include:
 - Cash reserves to compensate affected firms;
 - Insurance coverage that covers claims against broker-dealers for breach of any CAT database; and/or
 - “Negative Reimbursement” – permitting broker-dealers to withhold payment of CAT fees to offset expenses incurred in connection with a CAT data breach.

CAT data:

- The Commission should clarify the meaning of the term “surveillance and regulatory purposes” for purposes of the CAT. In doing so, the Commission should ensure that the SROs will be clearly prohibited from using CAT data for any commercial purpose.
- The Commission should restrict each exchange’s access to CAT data only for trading activity conducted on its exchange. In addition, the Commission should designate a single SRO to perform cross-market surveillances. These clarifications are critical not only for limiting access to PII, but also to assure that multiple SROs will not be able to use the CAT to bring multiple regulatory actions for the same conduct.
- The Commission and the SROs should access results from CAT inquiries only in a secure analytics environment that is managed by FINRA CAT. CAT data (both customer and transactional) should never be extracted from the secure analytics environment within the CAT to Commission’s or SROs’ own systems.

We appreciate your consideration of these important issues.

With kindest personal regards,

A handwritten signature in black ink, appearing to read "Ken Bentsen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kenneth E. Bentsen, Jr.
President and CEO

cc: Bryan Wood, Deputy Chief of Staff
Manisha Kimmel, Senior Policy Advisor to the Chairman
Brett W. Redfearn, Director, Division of Trading & Markets

Exhibit 7



January 8, 2020

Mr. Michael Simon
Chair, Operating Committee
Consolidated Audit Trail, LLC

Re: Consolidated Audit Trail Reporter Agreement

Dear Mr. Simon:

We would like to thank you and the self-regulatory organizations (“SROs”) for your continued engagement with SIFMA and the industry on the implementation of the Consolidated Audit Trail (“CAT”). In particular, we appreciate the SROs’ participation in the December 11, 2019 meeting with SIFMA, industry representatives, and representatives from the Securities and Exchange Commission (“SEC”) to discuss the CAT Reporter Agreement (“December Meeting”) and the SROs’ subsequent decision to provide firms with the opportunity to perform limited testing without requiring that they first execute the CAT Reporter Agreement.

SIFMA and its members continue to support the CAT while working with the SROs and the SEC to address critical issues that affect our members and their clients, and we were encouraged that the SROs expeditiously created an interim process in December that allowed firms to begin CAT testing without being required to execute the current CAT Reporter Agreement. This interim process has facilitated the commencement of CAT testing by industry members, and as SIFMA noted in its December 24, 2019 letter to Chairman Clayton, we understand that our members have taken advantage of this process and have begun CAT testing using non-production data.

Notwithstanding the progress witnessed by this interim process, there remain obstacles to address so that firms can comply with the April 20, 2020 CAT implementation date, as well as the even shorter time period for firms to comply with the April 6, 2020 CAT certification deadline. These critical dates are rapidly approaching, and the issues raised by SIFMA and its members regarding the CAT Reporter Agreement have yet to be resolved. As you know, the interim process provided by the SROs in December allows firms to access and use the CAT System to perform testing for file submission and data integrity validations before executing a CAT Reporter Agreement provided the data is test (rather than production) data. The requirement to execute the CAT Reporter Agreement before using production data remains, and, given the tight timeline that firms are operating under, our members would like to begin using production data in CAT testing no later than late-January to early February to help ensure compliance with the April 2020 deadlines.

Mr. Michael Simon
January 8, 2020

Working with members, SIFMA has drafted proposed revisions to the CAT Reporter Agreement and we are including a copy of those proposed revisions with this letter. As expressed at the December Meeting, SIFMA and its members are gravely concerned that the CAT Reporter Agreement—an agreement the SROs are requiring firms to execute not only before reporting data to the CAT but even before testing with production data—currently includes provisions that would effectively insulate Consolidated Audit Trail, LLC (“CATLLC”), all of the SROs, and the plan processor from any liability associated with a breach that leads to the loss of CAT data. Thus, if the CAT System were breached—or if an individual SRO bulk downloads CAT data and that SRO’s system were breached—the CAT Reporter Agreement would effectively mandate that reporting firms agree not to hold any of those parties liable for the breach, regardless of the level of culpability of any party.¹ SIFMA and its members believe such sweeping limitations on liability are inappropriate, particularly when imposed by the SROs as a condition to being able to fulfill a regulatory obligation that firms otherwise stand ready to meet. Consequently, SIFMA is providing the attached mark-up to the CAT Reporter Agreement for the SROs’ consideration. The mark-up represents a version of the CAT Reporter Agreement that SIFMA believes its members would be willing to execute immediately so that firms can begin testing with production data and ultimately report the required information to the CAT. Although this letter does not seek nor does the CAT Reporter Agreement itself need to fully resolve issues related to bulk downloading, access or cross market surveillance, these matters still represent critical areas that our members want to see resolved.

As you will see from the attached draft, many of the suggested revisions relate to the deletion from the CAT Reporter Agreement of those sections and provisions addressing limitations on liability. As expressed during the December Meeting, these revisions are intended to remove from the CAT Reporter Agreement those provisions that would otherwise turn on their head the standard contractual provisions regarding the allocation of responsibilities and liability. As you know, under any standard contract, the parties who are responsible for addressing a risk are also liable if they fail to meet those responsibilities. In stark contrast, the CAT Reporter Agreement would disclaim liability for the very parties who can or should bear it. Consequently, the attached mark-up deletes Sections 5.4 through 5.7 of the CAT Reporter Agreement and the clauses in some other Sections relating to the limitations on liability of CAT LLC, the SROs, the plan processor and their representatives; however, the document retains the indemnification provision in Section 5.2 and the liability limitation in Section 5.3 regarding activity that is in a CAT Reporter’s control.

¹ We note that, at the December Meeting, a representative from Nasdaq indicated that Nasdaq does not plan to bulk download CAT data, even though the CAT NMS Plan provides SROs with the authority to do so. Similarly, Chairman Clayton has indicated on multiple occasions that the SEC would not retrieve data from the CAT until it was sure that information could be adequately protected. *See, e.g.*, Chairman Jay Clayton, *Statement on Status of the Consolidated Audit Trail*, Sept. 9, 2019 (“Further, with regard to the use of the CAT by the SEC, as I have previously noted, the SEC will not retrieve any PII from the CAT unless there is a regulatory need for the information and we are confident that there are appropriate protections in place to safeguard the information.”). SIFMA’s members would welcome similar representations to those made by the SEC and Nasdaq from the other SROs as to their intentions or anticipated ability to bulk download CAT data, and further believe concrete steps should be taken to ensure compliance.

Mr. Michael Simon
January 8, 2020

SIFMA and its members would welcome further dialogue on this issue in the coming weeks; however, continuing to include these provisions in an agreement that the SROs require firms to sign before testing with production data places unneeded risks on firms' ability to begin those tests. In addition to the proposed changes regarding liability, we would like to provide additional explanation for other recommended changes in the attached mark-up that address different concerns with the current CAT Reporter Agreement:

- Section 2.5(i). SIFMA is recommending changes to paragraph (i) of Section 2.5 to address firms' concerns with that paragraph's potential breadth. Paragraph (i) currently prohibits a CAT Reporter from disclosing any result of testing or benchmarking of the CAT System. As you may know, firms often participate in industry working groups and engage in informal discussions with other firms to assess reporting issues they may be encountering and compare their situations with their peers. Firms have expressed concern that, as drafted, paragraph (i) could prevent them from sharing information regarding their reporting with other firms in these contexts and request that the CAT Reporter Agreement be clarified to ensure this type of sharing is permitted under the agreement.
- Section 4.3. Section 4.3 of the CAT Reporter Agreement concerns payment terms regarding CAT fees that the SROs anticipate will ultimately be approved by the SEC. Although firms are prepared to acknowledge that the SROs intend to charge fees (which is addressed in Section 4.1 of the CAT Reporter Agreement) and that firms will be responsible for paying any such fees approved by the SEC, the CAT Reporter Agreement is not an appropriate vehicle to establish what amount to SRO rules regarding payment timelines and interest rates for late payment of fees that do not currently exist. These types of issues should be addressed in the SROs' rule filings with the SEC at the time the fees are proposed, not imposed as a matter of contract. In fact, we note that Section 4.3 adopts through contract essentially the same payment terms the SROs proposed in their initial CAT fee filings with the SEC, which were withdrawn by the SROs.² Consequently, SIFMA has suggested that the provision provide that CAT Reporters will agree to payment terms in accordance with any rules adopted by the SROs and approved by the SEC.
- Section 6.3. Section 6.3 of the CAT Reporter Agreement concerns termination provisions and allows CATLLC to terminate the agreement if "CAT Reporter dissolves or liquidates or otherwise discontinues all or a significant part of its business." SIFMA recommends

² See, e.g., Securities Exchange Act Release No. 80710 (May 17, 2017) (SR-FINRA-2017-011). In that filing, proposed FINRA Rule 6897(e)(2) provided as follows: "Each Industry Member shall pay CAT Fees within thirty days after receipt of an invoice or other notice indicating payment is due (unless a longer payment period is otherwise indicated). If an Industry Member fails to pay any such fee when due, such Industry Member shall pay interest on the outstanding balance from such due date until such fee is paid at a per annum rate equal to the lesser of (i) the Prime Rate plus 300 basis points, or (ii) the maximum rate permitted by applicable law."

Mr. Michael Simon
January 8, 2020

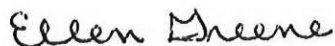
deleting the ability to terminate if “a significant part” of a CAT Reporter’s business is discontinued as, even in that eventuality, the remaining portion of the business may include CAT-reportable activity.

- Section 7.7. Section 7.7 of the CAT Reporter Agreement concerns modification of the agreement. As currently drafted, the agreement gives CATLLC the ability to modify the agreement unilaterally by simply notifying CAT Reporters. SIFMA’s members strongly object to this ability as it would permit CATLLC to alter any term of the agreement after execution simply by providing notice. Rather, SIFMA suggests revising the provision to require written agreement of both parties for modification of the CAT Reporter Agreement with the requirement that CAT Reporters not unreasonably withhold their agreement.

SIFMA believes that the other suggested modifications to the CAT Reporter Agreement speak for themselves; however, we would be happy to provide additional detail on these recommended changes if requested.

We appreciate the time and consideration that the SROs have devoted to these important issues, and look forward to continuing our work with you on this initiative. In light of the time constraints firms are operating under and in the hope that any outstanding issues can be resolved expeditiously, we would be happy to set up a time to discuss, in person or by phone, the attached mark-up as soon as you and the SROs have had an opportunity to review.

Sincerely,



Ellen Greene
Managing Director

Enclosure

Cc:

The Honorable Jay Clayton, Chairman
The Honorable Robert J. Jackson, Commissioner
The Honorable Allison Herren Lee, Commissioner
The Honorable Hester M. Peirce, Commissioner
The Honorable Elad L. Roisman, Commissioner
Ms. Manisha Kimmel, Senior Policy Advisor to Chairman Clayton, Regulatory Reporting
Mr. Brett Redfearn, Director, Division of Trading and Markets

CONSOLIDATED AUDIT TRAIL REPORTER AGREEMENT

This Consolidated Audit Trail Reporter Agreement (this “Agreement”) by and between CAT Reporter (as defined below) and Consolidated Audit Trail, LLC (“CATLLC”, and, together with CAT Reporter, the “Parties”) is entered into as of the date and time this Agreement is executed by CAT Reporter (“Effective Time”).

WHEREAS, CAT Reporter ~~desires to~~ must access and use the CAT System to comply with its obligations under the CAT NMS Plan, SEC Rule 613 and self-regulatory organization (“SRO”) rules, as applicable, and CATLLC is making the CAT System available to CAT Reporter pursuant to the terms and conditions of this Agreement.

WHEREAS, the CAT System is operated by the Plan Processor on behalf of CATLLC.

NOW, THEREFORE, in consideration of the mutual terms contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

1.1 Capitalized terms used in this Agreement but not otherwise defined herein have the meanings ascribed to such terms in the CAT NMS Plan, a copy of which is available on the Website.

1.2 For the avoidance of doubt, the definitions set forth in this Agreement shall prevail in the event of any conflict with the definitions set forth in the CAT NMS Plan:

“Authorized User” means an individual user who (a) is authorized to access the Central Repository by CAT Reporter and (b) satisfies (i) the applicable security obligations set forth from time to time on the Website and (ii) any other requirements CATLLC determines, in its sole discretion, to be necessary or appropriate from time to time and communicates to CAT Reporter via electronic notification.

“CAT Reporter” means the Industry Member or Participant that enters into this Agreement.

“CAT Reporting Agent” means a third party entity (including an Affiliate of the CAT Reporter) engaged by CAT Reporter to report CAT Data to the Central Repository on behalf of CAT Reporter. For purposes of this Agreement, employees and contractors of a CAT Reporting Agent reporting CAT Data to the Central Repository on behalf of CAT Reporter shall be considered Authorized Users of CAT Reporter under this Agreement.

“Copy” means any paper, disk, tape, film, memory device, or other material or object on or in which any words, object code, source code or other symbols are written, recorded or encoded, whether permanent or transitory.

“Governmental Entity” means any (a) federal, state, local or foreign government or any court, arbitrational tribunal, administrative agency or commission or governmental or regulatory authority acting under the authority of the federal or any state, local or foreign government of

competent jurisdiction or (b) any SRO with regulatory authority over CAT Reporter pursuant to the Exchange Act.

“Law” means any law, declaration, decree, directive, common law, legislative enactment, regulation, order, ordinance, rule, guidance, guideline or other binding restriction or requirement of or by any Governmental Entity, as may be amended, changed or updated from time to time.

“Person” means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, bank, association, cooperative, trust, estate, government, Governmental Entity or other entity of any nature.

“Technical Specifications” means the technical specifications for the CAT System that have been adopted and published by Plan Processor following approval by CATLLC.

“Website” means the website maintained by CATLLC for the CAT NMS Plan, currently available at <https://catnmsplan.com>, including any successor website.

2. PROVISION OF CAT SYSTEM

2.1 CAT System. Subject to the terms of this Agreement, CATLLC hereby grants CAT Reporter access to the CAT System and the ability to use the CAT System. CAT Reporter may access and use the CAT System only for the purpose of submitting CAT Data related to its business operations and correcting such CAT Data as provided in Section 3.3 and, in the event that CAT Reporter is a Participant, for such other uses as set forth in the CAT NMS Plan. CAT Reporter expressly consents to CATLLC’s use of the submitted CAT Data, provided that such use is expressly for any purpose authorized by the CAT NMS Plan, and acknowledges that CATLLC, the SROs, and the Plan Processor are not authorized by the CAT NMS Plan to use the submitted CAT Data for commercial purposes.

2.2 Authorized Users. CAT Reporter shall designate a “Super Account Administrator” who shall be responsible for establishing user names and initial passwords (each, “Access Credentials”) for each account administrator account and each user account required by CAT Reporter. CAT Reporter is solely responsible for ensuring the security of Access Credentials and ensuring that each Authorized User accesses the CAT System using only the Access Credentials assigned to such Authorized User. Upon the request of CATLLC or the Plan Processor, CAT Reporter shall provide to CATLLC or the Plan Processor (as applicable) a complete list of its current Authorized Users. CAT Reporter shall be solely responsible for any action or inaction of any of its Authorized Users. CAT Reporter shall ensure that the Super Account Administrator disables user access for any Authorized User no longer authorized to access the CAT System. CAT Reporter shall notify CATLLC and Plan Processor promptly (but in any event within two (2) business days) after becoming aware that any Access Credentials are, or are suspected of being, lost, stolen or compromised. CAT Reporter shall remain responsible for any actions taken using Access Credentials until such Access Credentials are disabled. CAT Reporter shall also notify CATLLC and Plan Processor of the termination and/or replacement of CAT Reporter’s Super Account Administrator.

2.3 CAT Reporter Contact Information. As part of the registration process for access to and use of the CAT System, CAT Reporter shall provide accurate contact information,

including a notice address that CATLLC may use for any notice to CAT Reporter in accordance with Section 7.1, and shall promptly update such contact information and notice address upon any change to such contact information or notice address.

2.4 CAT Reporting Agents. In the event CAT Reporter elects to engage a CAT Reporting Agent to report CAT Data to the Central Repository on behalf of CAT Reporter, CAT Reporting Agent must enter into a written agreement with CATLLC pursuant to which CAT Reporting Agent agrees to fulfill the obligations of CAT Reporter under the applicable Participant's Compliance Rules. CAT Reporter acknowledges that CAT Reporting Agent will not be provided the ability to act on behalf of CAT Reporter absent such a written agreement. CAT Reporter remains responsible for compliance with the requirements of the applicable Participant's Compliance Rules, notwithstanding the existence of an agreement described in this Section 2.4.

2.5 Limitations on Use of the CAT System. CAT Reporter shall not do, attempt to do, nor authorize or ~~instruct~~ permit any other Person to do, any of the following (directly or indirectly) (provided that nothing in this Section 2.5 is intended to limit any regulatory access and use of CAT Data by a Participant that is expressly permitted under the CAT NMS Plan):

(a) use the CAT System for any purpose, at any location or in any manner not specifically authorized by this Agreement;

(b) use the CAT System in any manner that would violate any applicable Law;

(c) disclose any Access Credentials to any Person other than to the Authorized User to which such Access Credentials apply;

(d) make or retain any Copy of any portion of the CAT System or any CAT Data except as specifically authorized by this Agreement;

(e) create or recreate any source code for the CAT System, or re-engineer, reverse engineer, decompile or disassemble or otherwise attempt to discover any source code, trade secret, algorithm, design or architecture or interface that comprises any portion of the CAT System;

(f) modify, adapt, translate or create derivative works based upon any portion of the CAT System (other than the APIs provided by the Plan Processor that are designed for integration into software systems of the CAT Reporters and the use of which is required to meet to the obligations of the Plan) or its documentation, or combine or merge any portion of the CAT System (other than such Plan Processor APIs) or its documentation with or into any other software or documentation;

(g) refer to or otherwise use any portion of the CAT System as part of any effort to develop a program having any functional attribute, visual interface or other feature similar to those of the CAT System;

(h) remove, erase or tamper with any copyright or other proprietary notice printed or stamped on, affixed to, or encoded or recorded in the CAT System, or fail to preserve all

copyright and other proprietary notices in any Copy of any materials from, or relating to, the CAT System made by CAT Reporter;

(i) disclose any result of testing or benchmarking of the CAT System, provided however that CAT Reporter may disclose testing or benchmarking of its reporting;

(j) sell, market, license, sublicense, distribute or otherwise grant to any Person, including any outsourcer, vendor, consultant or partner, other than an Authorized User or a CAT Reporting Agent, any right to use the CAT System or allow such other Person, other than an Authorized User or a CAT Reporting Agent, to use or have access to the CAT System, whether on CAT Reporter's behalf or otherwise;

(k) use the CAT System to conduct any type of service bureau or time-sharing operation or to provide remote processing, network processing, network telecommunications or similar services to any Person, whether on a fee basis or otherwise; or

(l) take or authorize any action or omission that would reasonably be expected to detrimentally interfere with the proper workings of the CAT System.

2.6 Notice of Breaches. CAT Reporter shall promptly give written notice to CATLLC and Plan Processor of any actual or suspected breach of any of the provisions of Section 2.5, whether or not intentional.

2.7 Regulatory Access. From and after the Effective Time, the records regarding CAT Reporter, if any, that are maintained or produced by the CAT System under this Agreement will be made available for examination, analysis and audit by Governmental Entities that have jurisdiction over CAT Reporter, and CAT Reporter expressly consents to such disclosure and use provided that such disclosure and use are expressly authorized by the CAT NMS Plan.

2.8 Disclosure Restrictions. To the extent CAT Reporter receives nonpublic, proprietary or confidential information from CATLLC that is marked as such, CAT Reporter shall not disclose or use such nonpublic, proprietary or confidential information unless such disclosure or use is required to meet its reporting obligations or is otherwise required by applicable law.

2.9 Plan Processor and Other Subcontractors. Services to be provided by CATLLC to CAT Reporter under this Agreement may be performed by the Plan Processor or any other subcontractor of CATLLC or the Plan Processor. In furtherance of the performance of such services, the Plan Processor or such other subcontractor may require access to CAT Reporter's information or data. CAT Reporter hereby authorizes CATLLC to release CAT Reporter's information or data to the Plan Processor or any such other subcontractor in furtherance of the performance of services under this Agreement provided that such release is subject to the terms of an agreement ensuring the protection of any such information or data provided to the Plan Processor or other subcontractor and agrees that CATLLC shall have no liability arising from such release or use of CAT Reporter's information or data.

2.10 Modifications. CATLLC reserves the right to modify, revise or update the CAT System, including to accommodate technology advances or changes in Law and will notify CAT Reporter of any such change that impacts CAT Reporters. Modifications, revisions or

updates to the CAT System may result in changes in the Technical Specifications of the CAT System.

2.11 No Interference with Operation of the CAT System. No right or remedy granted to CAT Reporter by any provision of this Agreement shall be deemed or permitted to allow any relief that would in any way interfere with the operation of the CAT System.

3. CAT REPORTER'S OBLIGATIONS

3.1 Procurement of Access. CAT Reporter shall be responsible, at its expense, for procuring and maintaining the computer hardware, access to communications systems (such as private-line transport), software or other items necessary for CAT Reporter to submit data to the CAT System as set forth in the Technical Specifications.

3.2 CAT Data. CAT Reporter, or a CAT Reporting Agent on behalf of CAT Reporter, shall submit all CAT Data that CAT Reporter is required by the Plan to submit to the CAT System. CAT Reporter, or a CAT Reporting Agent on behalf of CAT Reporter, shall transmit such CAT Data to the CAT System electronically in the format prescribed by the Plan Processor from time to time in the Technical Specifications. CAT Reporter is solely responsible for ensuring that any information or data that CAT Reporter, or a CAT Reporting Agent on behalf of CAT Reporter, submits to the CAT System is accurate and complete. CAT Reporter shall maintain copies of all source data and current backup copies of all information and data submitted to the CAT System as required by the CAT NMS Plan. None of CATLLC or its Representatives shall have any liability for any loss or damage caused by CAT Reporter's failure to maintain any copy thereof.

3.3 Correction of Data. CAT Reporter shall correct all errors in CAT Data, or inaccurate CAT Data submitted to the CAT System as provided in the CAT NMS Plan and Technical Specifications. In the event that CAT Reporter is an Industry Member, CAT Reporter may access CAT Data submitted by or on behalf of such Industry Member solely for the purpose of making such corrections.

3.4 CAT Reporter Compliance. CAT Reporter shall ensure that it and each of its Authorized Users: (a) use appropriate safeguards to ensure the confidentiality of CAT Data and (b) do not use CAT Data stored in the Central Repository for any purpose other than a purpose expressly authorized by the CAT NMS Plan. Without limiting the foregoing, CAT Reporter shall comply with the applicable security obligations set forth from time to time on the Website. CAT Reporter shall comply with all applicable Laws and obtain all necessary consents from any Person, including any of its employees, customers or other third parties from whom CAT Reporter collects information or data, if any, regarding the collection, use and distribution of such information or data to the CAT System. The information or data may include personal or other information about CAT Reporter, or any of its employees, customers or other third parties. CAT Reporter agrees that CATLLC may use this information or data to carry out its obligations with respect to the operation of the CAT System, including, to the extent necessary to carry out its obligations under the CAT NMS Plan and only to such extent, the provision of such information or data to the Plan Processor, the Participants, other subcontractors or any Governmental Entity.

4. PAYMENTS

4.1 Fees. CAT Reporter understands that CATLLC intends to charge fees once it receives SEC approval for such fees. Such fees may be changed from time to time pursuant to fee filings made with the SEC. Information on any fee filings and SEC-approved fees will be provided on the Website.

4.2 Taxes. The fees and other amounts payable by CAT Reporter to CATLLC under this Agreement do not include any taxes of any jurisdiction that may be assessed or imposed upon the services provided under this Agreement, or otherwise assessed or imposed in connection with the transactions contemplated by this Agreement, including sales, use, excise, personal property, export, import or withholding taxes, or customs duties, excluding only taxes based upon CATLLC's net income. CAT Reporter shall directly pay any such taxes assessed against it, and CAT Reporter shall promptly reimburse CATLLC for any such taxes payable or collectable by CATLLC.

4.3 Payment Terms. CATLLC shall notify CAT Reporter on a regular basis of any fees due for access to or use of the CAT System. CAT Reporter shall pay the amount due to CATLLC in accordance with the rules approved by the SEC and adopted by any SRO that has jurisdiction over CAT Reporter. ~~within thirty (30) days after receipt of such notice (unless CATLLC otherwise specifies a longer payment period). Interest at the rate equal to the lesser of: (a) the Prime Rate plus 300 basis points or (b) the maximum rate permitted by applicable Law shall accrue on any amount not paid by CAT Reporter to CATLLC when due under this Agreement, and shall be payable by CAT Reporter to CATLLC on demand. Any fees or other amounts paid by CAT Reporter under this Agreement are nonrefundable.~~

5. REPRESENTATIONS, WARRANTIES, INDEMNIFICATION AND LIMITATIONS

5.1 Authority. Each Party represents and warrants to the other that such Party has (a) all requisite legal and company power to execute and deliver this Agreement; (b) taken all company or other action necessary for the authorization, execution and delivery of this Agreement; and (c) taken all action required to make this Agreement a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms. ~~The individual executing this Agreement on behalf of CAT Reporter represents and warrants that he/she has the right to execute this Agreement and bind CAT Reporter to the terms and conditions of this Agreement.~~

5.2 CAT Data. CAT Reporter represents and warrants to CATLLC that CAT Reporter has the full legal right to submit to the CAT System the CAT Data submitted by or on behalf of CAT Reporter to the CAT System. CAT Reporter shall defend, indemnify and hold harmless CATLLC, each of the Participants, the Plan Processor and any other subcontractors of the Plan Processor or CATLLC providing software or services in connection with the CAT System, and any of their respective Affiliates and all of their directors, managers, officers, employees, contractors, subcontractors, advisors and agents ("Representatives") against any third party claim arising out of (a) a breach of the foregoing representation and warranty, (b) a failure by CAT Reporter or any of its CAT Reporting Agents to protect and secure CAT Data under its control, including any PII that is part of the CAT Data, (c) a failure by CAT Reporter

or any of its CAT Reporting Agents to protect its own systems from misuse (including from unauthorized use and malware infections) or unauthorized access to the CAT System by or through CAT Reporter's systems, or (d) a failure by CAT Reporter or any of its CAT Reporting Agents to comply with its obligations under this Agreement. Each of CATLLC, the Participants and the Plan Processor and each of their subcontractors shall be considered an intended third-party beneficiary of this Section 5.2, and each such Person may enforce this Section 5.2 against CAT Reporter.

5.3 Exclusion for Unauthorized Actions. None of CATLLC or its Representatives shall have any liability under any provision of this Agreement with respect to any performance problem, claim of infringement or other matter attributable to any unauthorized or improper access, use or modification of the CAT System by or on behalf of CAT Reporter, any unauthorized combination of the CAT System by CAT Reporter with other software, or any breach of this Agreement by CAT Reporter.

~~5.4 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 5.1 OF THIS AGREEMENT, CATLLC MAKES NO REPRESENTATIONS OR WARRANTIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH APPLICABLE LAWS, NON-INFRINGEMENT OR TITLE, SEQUENCING, TIMELINESS, ACCURACY OR COMPLETENESS OF INFORMATION, OR THOSE ARISING BY STATUTE OR OTHERWISE IN LAW, OR FROM A COURSE OF DEALING OR USAGE OF TRADE, REGARDING THE CAT SYSTEM OR ANY OTHER MATTER PERTAINING TO THIS AGREEMENT. CAT REPORTER ACCEPTS SOLE RESPONSIBILITY FOR ITS ACCESS TO AND USE OF THE CAT SYSTEM.~~

~~5.5 Limitation of Liability. TO THE EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES SHALL THE TOTAL LIABILITY OF CATLLC OR ANY OF ITS REPRESENTATIVES TO CAT REPORTER UNDER THIS AGREEMENT FOR ANY CALENDAR YEAR EXCEED THE LESSER OF THE TOTAL OF THE FEES ACTUALLY PAID BY CAT REPORTER TO CATLLC FOR THE CALENDAR YEAR IN WHICH THE CLAIM AROSE OR FIVE HUNDRED DOLLARS (\$500.00).~~

~~5.6 Damage Exclusion. TO THE EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES SHALL CATLLC OR ANY OF ITS REPRESENTATIVES BE LIABLE TO CAT REPORTER OR ANY OTHER PERSON FOR LOST REVENUES, LOST PROFITS, LOSS OF BUSINESS, OR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, PUNITIVE OR OTHER DIRECT OR INDIRECT DAMAGES OF ANY KIND OR NATURE, INCLUDING, SUCH DAMAGES ARISING FROM ANY BREACH OF THIS AGREEMENT, OR ANY TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHERWISE, WHETHER OR NOT FORESEEABLE, EVEN IF CAT REPORTER OR ANY OTHER PERSON HAS BEEN ADVISED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.~~

~~5.7 Data Exclusion. TO THE EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES SHALL CATLLC OR ANY OF ITS REPRESENTATIVES BE~~

~~LIABLE FOR ANY INCONVENIENCE CAUSED BY THE LOSS OF ANY DATA, FOR THE LOSS OR CORRUPTION OF ANY CAT REPORTER DATA OR FOR ANY DELAYS OR INTERRUPTIONS IN THE OPERATION OF THE CAT SYSTEM FROM ANY CAUSE.~~

5.48 Other Limitations. The representations and warranties made by CATLLC in this Agreement, and the obligations of CATLLC under this Agreement, apply only to CAT Reporter and not to any of its Affiliates, any CAT Reporting Agent, any of CAT Reporter's customers or any other third parties. Under no circumstances shall any Affiliate of CAT Reporter, CAT Reporting Agent or any CAT Reporter customer or other third party engaged by CAT Reporter, be considered a third party beneficiary of this Agreement or otherwise entitled to any rights or remedies under this Agreement, even if such Affiliates, customers, or other third parties are provided access to the CAT System or contribute or transmit data to or maintained in the CAT System. CATLLC shall not be deemed CAT Reporter's official record keeper for regulatory or other purposes and shall have no obligation to retain any records or data on CAT Reporter's behalf during the Term or after termination or expiration of this Agreement. No action or claim of any type relating to this Agreement may be brought or made by CAT Reporter more than one (1) year after the date of the event forming the basis for the action or claim. CAT Reporter agrees that the one (1) year period in the preceding sentence may not be tolled for any reason, whether sounding in law or equity.

6. TERM AND TERMINATION

6.1 Term. This Agreement commences at the Effective Time and remains in effect until terminated as provided under this Section 6 ("Term").

6.2 Termination by CAT Reporter. CAT Reporter may immediately terminate this Agreement; by giving notice of termination to CATLLC and to the Plan Processor.

6.3 Termination by CATLLC. CATLLC may immediately terminate this Agreement; by giving notice of termination to CAT Reporter, upon the occurrence of any of the following events: (a) CAT Reporter materially breaches any of its obligations under this Agreement and does not cure the breach within thirty (30) days (provided that the breach is susceptible to cure) after CATLLC gives notice to CAT Reporter describing the breach, except that CATLLC may terminate this Agreement at any time without providing an opportunity to cure the breach by providing notice of termination to CAT Reporter if CAT Reporter commits a breach of Section 2.5 or 3.4, (b) CAT Reporter dissolves or liquidates or otherwise discontinues all or a significant part of its business, (c) any Governmental Entity requires CATLLC to terminate this Agreement or suspend performance hereunder with respect to CAT Reporter, (d) CAT Reporter ceases to be a Participant or Industry Member.

6.4 Effect of Termination. Upon a termination of this Agreement, whether under this Section 6 or otherwise, CAT Reporter shall immediately cease all access and use of the CAT System, disable all Authorized Users and request the Plan Processor to disable all Access Credentials that have not been disabled by CAT Reporter, and shall immediately notify CATLLC in writing that CAT Reporter has taken all such actions. CAT Reporter shall remain liable for all payments due to CATLLC with respect to the period ending on the date of

termination. The provisions of Sections 1, 2.5, 2.6, 2.9, 2.11, 4, 5 and 7 and this Section 6.4 shall survive any termination of this Agreement, whether under this Section 6 or otherwise.

6.5 Enforcement. CAT Reporter acknowledges that the restrictions in this Agreement are reasonable and necessary to protect CATLLC's legitimate business interests. CAT Reporter acknowledges that any breach of any of the provisions of this Agreement shall result in irreparable injury to CATLLC for which money damages could not adequately compensate. If there is a breach, then CATLLC shall be entitled, in addition to all other rights and remedies which it may have at law or in equity, to seek a decree of specific performance or an injunction issued by any competent court, requiring the breach to be cured or enjoining all persons involved from continuing the breach, on use of affidavit evidence or otherwise, and without furnishing proof of actual damages or posting a bond or other surety.

6.6 Certain Other Remedies. CATLLC may, in its sole discretion and upon written notice to CAT Reporter, suspend performance of any or all of its services under this Agreement (including access to the CAT System) until and unless CATLLC determines, in its sole discretion and upon whatever conditions CATLLC chooses to impose on CAT Reporter, to resume performance of some or all of the suspended services or allow CAT Reporter access to the CAT System.

7. **OTHER PROVISIONS**

7.1 Notice. Any notice, consent or other communication under or regarding this Agreement shall be in writing and shall be deemed to have been received on the date of actual receipt (a) to CAT Reporter, at the address provided by CAT Reporter in accordance with Section 2.3; (b) to CATLLC, at the address for notices made available by CATLLC on the CAT System from time to time; or (c) to Plan Processor, at the address for notices made available on the CAT System from time to time.

7.2 Parties in Interest. This Agreement shall bind, benefit and be enforceable by and against CATLLC and CAT Reporter and, to the extent permitted hereby, their respective successors and assigns. CAT Reporter shall not assign this Agreement or any of its rights hereunder, nor delegate any of its obligations hereunder, without the prior consent of CATLLC. Any assignment in breach of this Section 7.2 shall be void.

7.3 Export Regulations. This Agreement is expressly made subject to any U.S. government and other applicable Laws regarding export from the U.S. or another country, and import into any country, of computer hardware, software, technical data or other items, or derivatives of such hardware, software, technical data or other items. Notwithstanding anything to the contrary in this Agreement, neither Party will directly or indirectly export (or re-export) any computer hardware, software, technical data or any other item, or any derivative of the same, or permit the shipment of the same: (a) into (or to a national or resident of) Cuba, North Korea, Iran, Sudan, Syria or any other country to which the U.S. has embargoed goods; (b) to anyone on the U.S. Treasury Department's List of Specially Designated Nationals, List of Specially Designated Terrorists or List of Specially Designated Narcotics Traffickers, or the U.S. Commerce Department's Denied Persons List; or (c) to any Person, country or destination for which the U.S. government or a U.S. governmental agency requires an export license or other

authorization for export, without first having obtained any such license or other authorization required.

7.4 Relationship. The relationship between the Parties created by this Agreement is that of independent contractors and not partners, joint venturers or agents.

7.5 Force Majeure. Neither Party shall be liable for, nor shall either Party be considered in breach of this Agreement due to, any failure to perform its obligations under this Agreement (other than its payment obligations) as a result of a cause beyond its control, including any act of God or a public enemy or terrorist, act of any military, civil or regulatory authority, change in any Law, fire, flood, earthquake, storm or other like event, labor problem, unavailability of supplies, or any other cause, whether similar or dissimilar to any of the foregoing, which could not have been prevented by the non-performing Party with reasonable care. CAT Reporter acknowledges that availability of the CAT System is subject to normal system downtime and that none of CATLLC or its Representatives are responsible for delays or inability to access or use services caused by communications problems.

7.6 Entire Understanding. This Agreement states the entire understanding between the Parties with respect to its subject matter, and supersedes all prior proposals, marketing materials, negotiations, representations, agreements and other written or oral communications between the Parties with respect to the subject matter of this Agreement. Any written, printed or other materials that CATLLC provides to CAT Reporter are provided on an “as is” basis, without warranty, and solely as an accommodation to CAT Reporter. In entering into this Agreement, each Party acknowledges and agrees that, except as expressly stated in Section 5, it has not relied on any representations made by the other. Any such representations are excluded.

7.7 Modification and Waiver; Severability. Except as set forth in this Section 7.7, no modification of this Agreement, and no waiver of any breach or obligation of this Agreement, shall be effective unless in writing and signed by an authorized representative of the Party against whom enforcement is sought. This Agreement may not be modified or amended except: ~~(a) with written agreement of the Parties, provided that CAT Reporter agrees not to unreasonably withhold its agreement or (b) by CATLLC from time to time upon no less than sixty (60) days’ notice to CAT Reporter.~~ No waiver of any breach or obligation of this Agreement, and no course of dealing between the Parties, shall be construed as a waiver of any subsequent breach or obligation of this Agreement. A determination that any provision of this Agreement is invalid or unenforceable shall not affect the other provisions of this Agreement.

7.8 Headings; Interpretation; Negotiated Terms. Section headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless the context otherwise requires, “or” shall be construed in the inclusive sense. The words “including”, “include” or “includes” whether capitalized or not, means “including but not limited to”. This Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement. Unless stated otherwise, all references to a date or time of day in this Agreement are references to that date or time of day in New York, New York. If any date specified in this Agreement

as the only day, or the last day, for taking action falls on a day that is not a business day, then that action may be taken on the next business day.

7.9 Arbitration. ANY DISPUTE, CONTROVERSY OR CLAIM ARISING FROM OR RELATING TO THIS AGREEMENT SHALL BE FULLY AND EXCLUSIVELY FINALLY SETTLED BY AN ARBITRATION HELD IN THE CITY OF NEW YORK, STATE OF NEW YORK, U.S., UNDER THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN EFFECT FROM TIME TO TIME. The arbitrator may grant any remedy that the arbitrator deems just and equitable within the scope of this Agreement, ~~except that the arbitrator may not, under any circumstance, grant a remedy inconsistent with or in violation of the limitations of liability in Section 5.~~ The award of the arbitrator shall be final and binding, and judgment thereon may be entered in any court having jurisdiction. The prevailing Party in any proceeding commenced in connection with the subject matter of this Agreement shall be entitled to recover its reasonable attorneys' fees (including, if applicable, charges for in-house counsel), arbitration costs and other legal expenses from the other Party, as the arbitrator shall determine.

7.10 Third Party Beneficiaries. Except as explicitly set forth herein, nothing in this Agreement is intended to or shall confer upon any other Person any legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement, and except as explicitly set forth herein, no person or entity is intended to be or is a third party beneficiary of any of the provisions of this Agreement.

7.11 Governing Law. THIS AGREEMENT, AND ALL MATTERS BETWEEN CATLLC AND CAT REPORTER ARISING OUT OF OR RELATING TO THIS AGREEMENT, SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY LAWS, RULES OR PROVISIONS THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF NEW YORK.

7.12 Counterparts; Electronic Signatures. The Parties may execute this Agreement in multiple counterparts, each of which when executed by a Party's authorized representative is an original counterpart and all of which together constitute one agreement. The Parties agree that this Agreement may be signed using an electronic signature (as defined in 15 U.S.C. § 7006).

Remainder of page intentionally blank.

The Parties have caused this Consolidated Audit Trail Reporter Agreement to be executed by their respective duly authorized representatives.

Consolidated Audit Trail, LLC

CAT Reporter:

By: _____
Name
: Michael J. Simon
Title: Chair, Consolidated Audit
Trail, LLC
Operating Committee

(Legal name)
By: _____
Name: _____
Title: _____
Date: _____
OrgID: _____
Address
:

Exhibit 8

**Consolidated Audit Trail
Industry Member Limited Testing
Acknowledgement Form**

This Acknowledgement Form is for Industry Members that desire to access and use the CAT System to perform testing for file submission and data integrity validations in order to comply with obligations under the CAT NMS Plan, SEC Rule 613 and self-regulatory organization rules before executing a CAT Reporter Agreement¹ with Consolidated Audit Trail, LLC (“CATLLC”). Prior to being entitled to the CAT System production environment, each Industry Member must enter into a CAT Reporter Agreement with CATLLC and complete a production readiness test using a full day of live production data.

Capitalized terms used but not defined herein have the meanings given in the CAT NMS Plan, a copy of which is available on <https://catnmsplan.com>.

The CAT Reporter identified below hereby certifies and acknowledges that it will not submit production data and will only submit fabricated test data and/or obfuscated production data (“Test Data”) (as described in the Industry Member Testing Update dated December 17, 2019) to the CAT System test environment. CAT Reporter also acknowledges that it is CAT Reporter’s responsibility to ensure only Test Data is submitted to the CAT System test environment.

CAT Reporter:

(Organization’s legal name)

By: _____

OrgID: _____

Name: _____

Address: _____

Title: _____

Date: _____

¹ A copy of the CAT Reporter Agreement is available on <https://catnmsplan.com>.

Exhibit 9

Alert: SEC's Pandemic No-Action Relief

The Operating Committee for the CAT NMS Plan recognizes that, in light of current global events related to COVID-19, the staff of the SEC's Division of Trading and Markets has provided the Participants to the CAT NMS Plan with no-action relief from enforcing their CAT Compliance Rules with regard to CAT implementation deadlines against Industry Members. Such no-action relief will be in effect through May 20, 2020.¹ The Division indicates that its no-action relief only applies through May 20, 2020, but could be extended.

Accordingly, the Operating Committee understands that the Participants will not take disciplinary action against their members for a failure to commence reporting to the CAT prior to May 20, 2020.

However, for those Industry Members that have completed the required production readiness certifications and are ready to begin reporting as of April 20, 2020, the CAT will be ready to accept CAT reports from Industry Members as of April 20, 2020. Industry Members should be mindful that completion of production readiness testing and certification generally should occur 14 calendar days prior to reporting, so an Industry Member wishing to report on April 20, for example, should complete certifications and testing by April 6. Similarly, Industry Members wishing to report on May 20 should complete certifications and testing by May 6. Please note that FINRA CAT, the CAT Plan Processor, cannot guarantee access to the production environment by May 20 for those Industry Members that do not complete production readiness testing by May 6. Details and requirements for certification and testing are available in the FINRA CAT Onboarding Guide, available at https://catnmsplan.com/sites/default/files/2020-02/FINRA-CAT-Onboarding-Guide-v1.6_0.pdf.

¹ The Division's no-action relief is available at <https://www.catnmsplan.com/sites/default/files/2020-03/03.16.20%20No%20Action%20Letter.pdf>.

Exhibit 10



DIVISION OF
TRADING AND MARKETS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

March 16, 2020

Michael Simon
CAT NMS Plan Operating Committee Chair
c/o Andre E. Owens, Partner
Wilmer Cutler Pickering Hale and Dorr LLP
1875 Pennsylvania Avenue, NW
Washington, DC 20006

Re: No Action Letter: Consolidated Audit Trail Reporting

Dear Mr. Simon:

The Division of Trading and Markets (the “Staff”) is aware that disruptions as a result of COVID-19 have placed new stresses and competing priorities on the infrastructure and staff required to implement the Consolidated Audit Trail (the “CAT”), as required by the National Market System Plan governing the Consolidated Audit Trail (“CAT NMS Plan”).¹

Background

¹ The CAT NMS Plan was published for comment in the Federal Register on May 17, 2016, and approved by the Commission, as modified, on November 15, 2016. See Securities Exchange Act Release Nos. 77724 (April 27, 2016), 81 FR 30614 (May 17, 2016); 79318 (November 15, 2016), 81 FR 84696 (November 23, 2016) (“CAT NMS Plan Approval Order”). The CAT NMS Plan is Exhibit A to the CAT NMS Plan Approval Order. See CAT NMS Plan Approval Order, at 84943–85034. Capitalized terms not otherwise defined in this letter shall have the meanings ascribed to them in the CAT NMS Plan.

Industry Members² are required to report to the CAT pursuant to Compliance Rules³ adopted by each Participant⁴ under Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)⁵ and Rule 19b-4 thereunder.⁶ The Compliance Rules codify for Industry Members Sections 6.7(a)(v) and 6.7(a)(vi) of the CAT NMS Plan.⁷ Section 6.7(a)(v) of the CAT NMS Plan sets deadlines for each Industry Member (other than a Small Industry Member) to record and report Industry Member Data to the Central Repository, while Section 6.7(a)(vi) of the CAT NMS Plan sets deadlines for each Small

² The CAT NMS Plan defines “Industry Member” as a member of a national securities exchange or a member of a national securities association. See CAT NMS Plan, supra note 1, at Section 1.1.

³ The CAT NMS Plan defines “Compliance Rule” as, with respect to a Participant, the rule(s) promulgated by such Participant as contemplated by Section 3.11 of the CAT NMS Plan. See CAT NMS Plan, supra note 1, at Section 1.1

⁴ The CAT NMS Plan defines “Participant” as each Person identified as such on Exhibit A thereto, and any Person that becomes a Participant as permitted by the CAT NMS Plan, in such Person’s capacity as a Participant in the Company (it being understood that the Participants shall comprise the “members” of the Company (as the term “member” is defined in Section 18-101(11) of the Delaware Act)). See CAT NMS Plan, supra note 1, at Section 1.1. Currently, the Participants of the CAT NMS Plan are: BOX Exchange LLC; Cboe BYX Exchange, Inc.; Cboe BZX Exchange, Inc.; Cboe C2 Exchange, Inc.; Cboe EDGA Exchange, Inc.; Cboe EDGX Exchange, Inc.; Cboe Exchange, Inc.; Financial Industry Regulatory Authority, Inc.; Investors Exchange LLC; Long Term Stock Exchange, Inc.; Miami International Securities Exchange LLC; MIAX Emerald, LLC; MIAX PEARL, LLC; Nasdaq BX, Inc.; Nasdaq GEMX, LLC; Nasdaq ISE, LLC; Nasdaq MRX, LLC; Nasdaq PHLX LLC; The Nasdaq Stock Market LLC; New York Stock Exchange LLC; NYSE Arca, Inc.; NYSE American LLC; NYSE Chicago, Inc.; and NYSE National, Inc.

⁵ 15 U.S.C. 78s(b)(1).

⁶ 17 CFR 240.19b-4.

⁷ Between January 17, 2017 and February 2, 2017, each Participant filed a Compliance Rule reflecting the requirements in Section 6.7(a)(v) of the CAT NMS Plan that each Participant require its Industry Members (other than Small Industry Members) to report Industry Member Data to the Central Repository by November 15, 2018, and in Section 6.7(a)(vi) of the CAT NMS Plan that each Participant require its Small Industry Members to report Industry Member Data to the Central Repository by November 15, 2019. See Securities Exchange Act Release Nos. 80256 (March 15, 2017), 82 FR 14526 (March 21, 2017) (“Order Approving Consolidated Audit Trail Compliance Rules”); 80255 (March 15, 2017), 82 FR 14563, (March 21, 2017) (“Order Approving FINRA Rule 6800 Series (CAT Compliance Rules)”).

Industry Member⁸ to record and report Industry Member Data to the Central Repository.⁹ Section 3.11 of the CAT NMS Plan provides that each Participant shall comply with and enforce compliance, as required by Rule 608(c) of Regulation NMS, by its Industry Members with the provisions of Rule 613 of Regulation NMS and of the CAT NMS Plan, as applicable.

Furthermore, Section 19(g)(1) of the Act, among other things, requires the Participants, as self-regulatory organization (“SROs”) to enforce compliance by their members and persons associated with their members with the Act, the rules and regulations thereunder, and the SROs’ own rules. Rule 608(c) of Regulation NMS under the Exchange Act requires that each SRO comply with and, absent reasonable justification or excuse, enforce compliance by its members with, the terms of any effective NMS plan of which it is a sponsor or a participant.¹⁰

Discussion

As noted above, we understand that COVID-19’s impact on market participants, including necessitating SROs and Industry Members to implement their business continuity plans, has placed stress on their information technology infrastructure and required the deployment of significant resources, including to implement and adapt business continuity plans. To allow firms to maintain focus on operational readiness and reduce operational risk, we are issuing this no-action letter so that personnel who are working on CAT matters but are important to maintaining critical operations and implementing business continuity plans can focus their attention on those immediate needs.

Specifically, at this time Staff would not recommend that the Securities and Exchange Commission (“Commission”) take enforcement action against the Participants under Section 19(g)(1) of the Act and Rule 608(c) of Regulation NMS should the Participants not enforce the CAT implementation deadlines against Industry Members. The Staff’s position in this letter applies only until May 20, 2020, but could be extended.

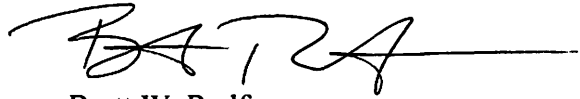
⁸ The CAT NMS Plan defines “Small Industry Member” as an Industry Member that qualifies as a small broker-dealer as defined in SEC Rule 613. See CAT NMS Plan, supra note 1, at Section 1.1

⁹ On February 19, 2020, the Plan Participants filed a request for exemptive relief from certain provisions of the CAT NMS Plan related to Industry Member reporting of Industry Member Data to the CAT in order to allow for the implementation of a phased Industry Member reporting timeline, according to which Industry Member reporting would commence on April 20, 2020. See Letter from Michael Simon, Chair, CAT NMS Plan Operating Committee, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 19, 2020.

¹⁰ 17 CFR 242.608(c).

This letter expresses the Staff's position regarding enforcement action only and does not purport to express any legal conclusions. This position is subject to modification or revocation at any time. If you have any questions regarding this letter, please call me at (202) 551-5500.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Redfearn", with a long horizontal line extending to the right.

Brett W. Redfearn
Director

cc: Andre E. Owens, Partner, Wilmer Cutler Pickering Hale and Dorr LLP
CAT NMS Plan Leadership Team

Exhibit 11

Date	Phase	Information	Category	Audience
10/15/2019	2a/2b	Private Line available for network testing (BT Radianz and Century Link) Release 1 - File Submission and Data Integrity Validations	Connectivity	Large Industry Members Small OATS Reporters
10/15/2019	2a/2b	Publication of IMID/IMID Conflicts and Issue Sample List Release 1 - File Submission and Data Integrity Validations	Release Availability & Compliance	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
11/01/2019	2a/2b	Onboarding Guide Update to include Multi-Factor Authentication Release 1 - File Submission and Data Integrity Validations	Registration & Onboarding	Large Industry Members Small OATS Reporters
11/04/2019	2a/2b	CAT Secure Reporting Gateway available for network testing Release 1 - File Submission and Data Integrity Validations	Connectivity	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
11/04/2019	2a/2b	Plan Participant UAT begins for Industry Test Release 1.1 (November 18 functionality) and Reference Data Release Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters
11/04/2019	2a/2b	CAT Reporter Portal User Guide Published for Industry Test Release 1.1 (November 18 functionality) Release 1 - File Submission and Data Integrity Validations	Specifications & User Guide	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
11/18/2019	2a/2b	Industry Test Release 1.1 Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters
11/25/2019	2a/2b	Plan Participant UAT begins for Industry Test Release 1.2 (December 16 functionality) Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
12/02/2019	2a/2b	CAT Reporter Portal User Guide Published for Industry Test Release 1.2 (December 16 functionality) Release 1 - File Submission and Data Integrity Validations	Specifications & User Guide	Large Industry Members Small OATS Reporters
12/16/2019	2a	Test Environment opens for file submission and data integrity validations		Large Industry Members Small OATS Reporters
12/16/2019	2b	Test Environment opens for file submission and data integrity validations		Large Industry Members

Date	Phase	Information	Category	Audience
12/16/2019	2a/2b	Industry Test Release 1.2 Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters
12/31/2019	2a	Test Environment Opens		Small OATS Reporters Small Non-OATS Reporters
12/31/2019	2b	Test Environment Opens		Small OATS Reporters Small Non-OATS Reporters
01/03/2020	2a/2b	Connectivity Supplement updated to include AWS PrivateLink information Release 1 - File Submission and Data Integrity Validations	Connectivity	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
01/27/2020	2a/2b	AWS PrivateLink available for 2a/2b machine-to-machine file submission and CAT Reporter Portal Release 1 - File Submission and Data Integrity Validations	Connectivity	Large Industry Members Small OATS Reporters
01/31/2020	2c	Technical Specifications Published		Developers Government/Agency Industry Members Large Industry Members Small OATS Reporters Small Non-OATS Reporters Media Plan Participants/Other Regulators Public Service Bureaus

Date	Phase	Information	Category	Audience
01/31/2020		LTID Technical Specification Published Q. Customer and Account Information	Specifications & User Guide	Developers Industry Members Plan Participants/Other Regulators Service Bureaus
02/03/2020	2a/2b	Plan Participant UAT begins for February Industry Test Release Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters
02/10/2020	2a/2b	CAT Reporter Portal User Guide Published for February Release Release 1 - File Submission and Data Integrity Validations	Specifications & User Guide	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
02/24/2020	2a/2b	Industry Test Release 1.3 Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters
03/23/2020	2a/2b	Industry Test Release 1.4 Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters
04/06/2020	2a/2b	Industry Members and CAT Reporting Agents must complete production readiness testing for 2a reporting Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
04/13/2020	2a/2b	Production Environment Opens for Production Readiness Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters
04/20/2020	2a	Production Environment Go-Live for file submission and data integrity validations		Large Industry Members Small OATS Reporters
04/20/2020	2a	Test Environment opens for Intra-firm Linkage validations		Large Industry Members Small OATS Reporters
04/20/2020	2b	Test Environment opens for Intra-firm Linkage validations		Large Industry Members

Date	Phase	Information	Category	Audience
04/20/2020	2a/2b	Production Go-Live for Equities 2a file submission and data integrity validations Release 1 - File Submission and Data Integrity Validations	Release Availability & Compliance	Large Industry Members Small OATS Reporters
05/04/2020	2a/2b	Industry Members and CAT Reporting Agents must complete production readiness testing for 2b reporting Release 1 - File Submission and Data Integrity Validations	Testing & Readiness	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
05/18/2020	2b	Production Environment Go-Live for file submission and data integrity validations		Large Industry Members
05/18/2020	2a/2b	Production Go-Live for Options 2b file submission and data integrity validations Release 1 - File Submission and Data Integrity Validations	Release Availability & Compliance	Large Industry Members Small OATS Reporters

Date	Phase	Information	Category	Audience
06/19/2020	2a/2b	Release of Industry Member Compliance Report Card for Equities ONLY Release 1 - File Submission and Data Integrity Validations		Large Industry Members Small OATS Reporters
06/30/2020	2d	Technical Specifications Published B. Reporting Requirements	Specifications & User Guide	Developers Industry Members Plan Participants/Other Regulators Service Bureaus

Date	Phase	Information	Category	Audience
07/20/2020	2a/2b	Release of Industry Member Compliance Report Card including Equities and Options Release 1 - File Submission and Data Integrity Validations		Large Industry Members Small OATS Reporters
07/27/2020	2a	Production Environment Go-Live for Intra-firm Linkage validations		Large Industry Members Small OATS Reporters
07/27/2020	2a	Test Environment opens for Firm to Firm Linkage validations		Large Industry Members Small OATS Reporters
07/27/2020	2b	Test Environment opens for Firm to Firm Linkage validations		Large Industry Members

Date	Phase	Information	Category	Audience
08/24/2020	2b	Production Environment Go-Live for Intra-firm Linkage validations		Large Industry Members
08/24/2020		LTID Account Information Testing Environment Opens Q. Customer and Account Information	Testing & Readiness	Developers Industry Members Plan Participants/Other Regulators Service Bureaus
09/09/2020	2a	Test Environment opens for Exchange and TRF Linkage validations		Large Industry Members Small OATS Reporters
09/09/2020	2b	Test Environment opens for Exchange Linkage validations		Large Industry Members

Date	Phase	Information	Category	Audience
10/26/2020	2a	Production Environment Go-Live for Firm to Firm Linkage validations		Large Industry Members Small OATS Reporters
10/26/2020	2a	Production Environment Go-Live for Exchange and TRF Linkage validations		Large Industry Members Small OATS Reporters
12/14/2020		LTID Account Information Reporting Production Environment Opens Q. Customer and Account Information	Testing & Readiness	Developers Industry Members Plan Participants/Other Regulators Service Bureaus
01/04/2021	2b	Production Environment Go-Live for Firm to Firm Linkage validations Release 3 - Interfirm Linkage	Release Availability & Compliance	Large Industry Members

Date	Phase	Information	Category	Audience
01/04/2021	2b	Production Environment Go-Live for Exchange Linkage validations Release 4 - TRF/Exchange Linkage	Release Availability & Compliance	Large Industry Members
01/29/2021		Full CAIS Final Technical Specification Published Q. Customer and Account Information	Specifications & User Guide	Developers Industry Members Plan Participants/Other Regulators Service Bureaus
01/31/2021	2c	Test Environment Opens		Large Industry Members
01/31/2021	2c	Test Environment Opens		Small OATS Reporters Small Non-OATS Reporters

Date	Phase	Information	Category	Audience
01/31/2021		Customer and Account Information - Technical Specifications Published Q. Customer and Account Information		Industry Members Large Industry Members Small OATS Reporters Small Non-OATS Reporters
04/26/2021		LTID Account Information Reporting Go-Live for Phases 2a, 2b and 2c (Large Industry Members) Q. Customer and Account Information	Release Availability & Compliance	Developers Large Industry Members Plan Participants/Other Regulators Service Bureaus
04/30/2021	2c	Production Environment Go-Live		Large Industry Members
06/30/2021	2d	Test Environment Opens		Large Industry Members
06/30/2021	2d	Test Environment Opens		Small OATS Reporters Small Non-OATS Reporters

Date	Phase	Information	Category	Audience
12/13/2021		LTID Account Information Reporting Go-Live for Phase 2d (Large Industry Members) Q. Customer and Account Information	Release Availability & Compliance	Developers Large Industry Members Plan Participants/Other Regulators Service Bureaus
12/13/2021		LTID Account Information Reporting Go-Live for Phases 2a, 2b, 2c and 2d (Small Industry Members) Q. Customer and Account Information	Release Availability & Compliance	Developers Small Non-OATS Reporters Plan Participants/Other Regulators Service Bureaus
12/31/2021	2d	Production Environment Go-Live		Large Industry Members
12/31/2021	2a	Production Environment Go-Live		Small OATS Reporters Small Non-OATS Reporters

Date	Phase	Information	Category	Audience
12/31/2021	2b	Production Environment Go-Live		Small OATS Reporters Small Non-OATS Reporters
12/31/2021	2c	Production Environment Go-Live		Small OATS Reporters Small Non-OATS Reporters
12/31/2021	2d	Production Environment Go-Live		Small OATS Reporters Small Non-OATS Reporters
01/31/2022		Customer and Account Information - Test Environment Opens Q. Customer and Account Information		Industry Members Large Industry Members Small OATS Reporters Small Non-OATS Reporters

Date	Phase	Information	Category	Audience
07/31/2022		Customer and Account Information - Production Environment Go-Live Q. Customer and Account Information		Industry Members Large Industry Members Small OATS Reporters Small Non-OATS Reporters