



Securities Industry Association

120 Broadway - 35 Fl. • New York, NY 10271-0080

(212) 608-1500, Fax (212) 968-0703 • www.sia.com, info@sia.com

March 5, 2004

Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Collection Practices under Section 31 of the Securities Exchange Act

Dear Mr. Katz:

The Operations Committee of the Securities Industry Association (“SIA”)¹ appreciates the opportunity to comment on the proposed rule regarding collection practices under Section 31 of the Securities Exchange Act of 1934 (the “Act”).² The Committee agrees that it is critical for the Securities and Exchange Commission (“SEC” or “Commission”) to be able to demonstrate that it is collecting the correct amount of fees and properly carrying out its fiscal responsibility as assigned by Congress. We believe the proposal establishes a generally reliable method for calculating amounts due under Section 31 of the Act and we support the manner in which the Commission proposes to carry out the Section 31 fee collection process.

The Committee welcomes the proposal because we believe it presents an opportunity to address the long-standing problem of reconciling amounts collected by broker-dealers from their customers with the amounts due from self-regulatory organizations (“SROs”) to the Commission. As discussed in more detail below, the proposal will not resolve, and may exacerbate, this problem. We believe a uniform, auditable method for allocating the fees in a manner that will minimize the amount of irreconcilable differences between broker-dealers and SROs can be established. We are aggressively pursuing such a process with the SROs. In addition to many

¹ The Securities Industry Association (“SIA”), established in 1972 through the merger of the Association of Stock Exchange Firms and the Investment Banker’s Association, brings together the shared interests of nearly 600 securities firms to accomplish common goals. SIA member firms (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. According to the Bureau of Labor Statistics, the U.S. securities industry employs more than 800,000 individuals. Industry personnel manage the accounts of nearly 93 million investors directly and indirectly through corporate, thrift, and pension plans. In 2003, the industry is projected to generate \$142 billion in domestic revenue and \$283 billion in global revenues. (More information about SIA is available on its home page: www.sia.com.)

² Securities Exchange Act Release No. 34-49104 (January 20, 2004), 69 FR 4018.

meetings with the National Association of Securities Dealers (“NASD”) since 1997 when Section 31 fees were extended to the over the counter market, the Committee has had preliminary discussions with the New York Stock Exchange (“NYSE”) and National Securities Clearing Corporation (“NSCC”). We also have solicited participation from all relevant SROs going forward. We believe the Commission must actively participate in those discussions.

I. Overview

The proposal would establish new procedures for the calculation, payment and collection of fees and assessments on SROs pursuant to Section 31 of the Exchange Act.³ Under the new procedures, national securities exchanges or a national securities association would provide the Commission with data on its securities transactions and each round turn transaction on a security futures trade.⁴ The Commission would calculate the amount of fees and assessments due based on the volume of those transactions, and the Commission would bill the national securities exchange or national securities association that amount. Currently, SROs forward sums to the Commission that have been calculated using various methods by the SRO or its members. Because there is no independent verification by the Commission, it is not certain whether the proper amounts due pursuant to Section 31 are being paid to the Commission.

The Commission notes in the Release that, in order to calculate the amounts owed, it must know the aggregate dollar amount of each SRO’s covered sales, and there is no single source for this information. The proposal sets out a process to capture relevant information about covered sales through several available sources. Specifically, because market participants have a strong incentive to ensure the accuracy of the trade data reported to the clearing agencies, clearing data obtained from NSCC and Options Clearing Corporation (“OCC”)⁵ would be the primary basis for the calculation of Section 31 fees.⁶ In situations where the clearing data is incomplete, or non-existent, the Commission would rely on an SRO’s trade reporting system.⁷ Finally,

³ 15 U.S.C 78ee. Section 31 provides that the Commission shall collect transaction fees and assessments that are designed to recover the costs to the Government of the supervision and regulation of securities markets and securities professionals, and costs related to such supervision and regulation, including enforcement activities, policy and rulemaking activities, administration, legal services, and international regulatory activities. Pursuant to Section 31, the Commission collects *fees* on the aggregate dollar amount of sales of securities transacted on national securities exchanges and by or through members of national securities associations, and *assessments* on each round turn transaction on security futures traded on a national securities exchange and by or through a member of a national securities association. These so-called “Section 31 fees” are the largest source of the Commission’s fee collections. Section 31(i) requires that the fees and assessments collected by the Commission be deposited and credited as offsetting collections to the account providing appropriations to the Commission. 15 U.S.C. 78ee(i).

⁴ The data would be provided on proposed Form R31, which the SROs would be required to submit to the Commission within ten business days after the end of each month.

⁵ NSCC and OCC are registered clearing corporations under Section 17A of the Act.

⁶ The Commission recognizes that the data supplied by clearing agencies may include certain sales that are not subject to the fee, *e.g.*, exempt sales and reversals, and expects SROs and clearing agencies to collaborate in establishing procedures to filter out such sales before reporting the data on Form R31. In addition, the Committee believes there are other transactions, *e.g.*, certain correspondent clearing transactions, where clarification may be needed regarding application of the fee.

⁷ *E.g.*, pursuant to exchange rules, certain transactions may clear and settle outside of the regular clearing system (“ex-clearing” transactions).

because certain transactions are neither reported to a clearing agency nor captured in an SRO trade reporting system, *e.g.*, certain odd-lot transactions, SROs would rely on members to self-report these trades.

Each SRO would provide monthly on proposed Form R31 the aggregate dollar amount of covered sales for the month as well as the total number of round turn transactions for the month.⁸ The Commission will multiply the former by the fee rate, and the latter by the assessment charge.⁹ This will yield an amount due from each SRO for each month. The Commission will add the monthly amounts due to obtain the total amount due from the SRO for the billing period.¹⁰ Each SRO would be required to pay by the due date the entire amount due for the billing period as reflected in its Section 31 bill.

The Commission intends to determine the amount of fees and assessments owed by SROs using the new procedure, if it is adopted, for the entire fiscal year 2004. In order to do this, the Commission has proposed an additional rule to cover the months in fiscal year 2004 prior to the month that proposed Rule 31 would become effective. Proposed temporary Rule 31T would require every SRO, within one month of the effective date of proposed Rule 31, to submit to the Commission a Form R31 for each month from September 2003 to the month immediately before the initial month for which Rule 31 would require the SRO to submit a Form R31.

The Committee recognizes that Section 31 fees are the largest single source of fee collections for the SEC and we appreciate the importance of establishing a process for determining and collecting appropriate amounts due under the Act.¹¹ We believe the SEC has devised a reasonable approach that generally should yield accurate numbers and will enable the SEC to verify that correct amounts are being collected. The Committee, however, has been concerned for many years about the amounts collected under SRO rules when broker-dealers pass the fees onto their customers.¹² As discussed below, the

⁸ Part I of Form R31 would list transactions reported to a clearing agency; Part II would list trades captured in a trade reporting system but not reported to a clearing agency (except the NASD would list in Part II all covered sales that it captures in a trade reporting system, regardless of whether this data has been forwarded to a clearing agency); and Part III would list transactions that were neither reported to a clearing agency nor captured in a trade reporting system. Although the duty to submit Form R31 would rest with the SROs, paragraph (b)(4) of proposed Rule 31 would impose a duty on each designated clearing agency to provide the data needed by the SRO to complete Part I of proposed Form R31.

⁹ The fee rate is established in paragraphs (b) and (c) of Section 31. Paragraph (d) sets the rate of the assessment. Paragraph (j) requires that the Commission make a mid-year adjustment to the fee rate if four months into the fiscal year it determines that its forecasts of aggregate dollar volume are reasonably likely to be off by 10% or more.

¹⁰ Paragraph (e) of Section 31 stipulates that fees and assessments are due twice each year: (1) March 15, for sales and transactions occurring during the period beginning on the preceding September 1 and ending at the close of the preceding December 31; and (2) September 30, for sales and transactions occurring during the preceding January 1 and ending at the close of the preceding August 31.

¹¹ The Accountability of Tax Dollars Act of 2002, Pub. L. No. 107-289, 31 U.S.C. 3515, now requires each federal executive agency with appropriated budget authority of more than \$25 million to prepare annual audited financial statements. The Commission is subject to this requirement.

¹² See Letter to Robert L.D. Colby, Deputy Director, Division of Market Regulation, SEC, from Donald D. Kittell, Executive Vice President, SIA, dated January 12, 2001; letter to T. Grant Callery, Senior Vice President and General Counsel, NASD, from Emil E. Zalesak, SIA Data Management Division ("DMD"),

proposal does not address this issue. Nevertheless, we believe the time is right to create a uniform, auditable method for ensuring that SROs collect from their members the correct amounts to meet their obligations to the SEC under Section 31.

II. History

National securities exchanges and national securities associations have an obligation to pay fees and assessments, a duty that arises from Section 31 of the Exchange Act.¹³ Currently, SROs generate funds to pay Section 31 fees and assessments to the Commission by assessing their members a fee based on the aggregate dollar amount of securities sale transactions effected on the exchange or by or through their members. Members, in turn, generate funds to pay the SROs by passing the fees on to their customers. Presumably, SRO members could increase their brokerage charges to cover the fee owed to the SRO but they do not. Rather, they pass the fee on directly to customers by listing the charge on each sales confirmation. Since broker-dealers have no alternative but to assess the fee on each separate sale transaction, *i.e.*, on a per transaction basis, broker-dealers do not collect amounts identical to that of the SRO's liability to the SEC, which is based on the **aggregate** dollar amount of securities sale transactions.¹⁴

Since 1934 when the SEC registered the NYSE as a national securities exchange under Section 6 of the Exchange Act, NYSE Rule 440 **required** member firms to charge the registration fee to customers on a per transaction basis and to self-report the aggregate dollar amount of their sales of securities and the corresponding Section 31 fees due based on that amount.¹⁵ In fact, not only did NYSE Rule 440 (as in effect at the time) approve the per transaction method, Rule 440(9) prohibited the use of daily, weekly, or any similar totals of transactions made for a

dated September 2, 1998; letter to T. Grant Callery, NASD, from Emil E. Zalesak, SIA DMD, dated March 19, 1998; and letter to James Shelton, Billing Manager, NASD, from Emil E. Zalesak, SIA DMD, dated April 8, 1997.

¹³ As adopted by Congress in 1934, and originally entitled "Registration fees," Section 31 of the Act required each exchange to pay to the Commission "a registration fee for the privilege of doing business as a national securities exchange." See Securities Exchange Act of 1934, 31, 48 Stat. 881, 904 (1934). The Securities Acts Amendments of 1975 amended Section 31, changing the caption to "Transaction Fees" and requiring broker-dealers also to pay fees for over the counter transactions in exchange-listed securities. See 15 U.S.C. 78ee (1975). In 1996, the National Securities Markets Improvement Act extended the requirement to the over-the-counter market by requiring fees to be paid on sales of securities subject to prompt last sale reporting. Pub. L. No. 104-290, 110 Stat. 3416.

¹⁴ The NYSE and NASD have provided guidance to members in calculating the fees. In an NYSE press release dated December 28, 2001 and an NASD Member Alert dated December 28, 2001, the SROs directed members to multiply the aggregate dollar amount of sales of securities transacted by the fee rate [which at the time was .0000150], which will be truncated at the seventh place after the decimal point. The resulting figure should be rounded up to the next cent (if there is any remainder, that should be rounded up)." <http://www.nyse.com/press/p1020656068695.html?displayPage=%2Fpress%2F1020656068695.html> and http://nasdr.com/mem_alert2001_04.htm. Rounding can result in overages in amounts paid at the introducing firm level as well as the clearing firm level.

¹⁵ American Stock Exchange Rule 393 and Midwest Stock Exchange Rule 17 contained similar provisions.

particular customer or for a particular account as a basis for computing the fee chargeable to such customer or account, whether member or non-member.¹⁶

As early as 1972, it was apparent that the “per-transaction” method of charging customers’ accounts results in the collection of a sum greater than the amount of the exchange’s liability to the SEC. In an action challenging the practice of collecting funds from customers to pay the exchange’s registration fee to the SEC, the U.S. District Court for the Northern District of Illinois upheld the authority of NYSE members to pass the charge onto their customers.¹⁷ The Court went on to find that it would be economically impractical, if not virtually impossible, to aggregate a customer’s transactions over an extended period in order to lessen the amount of the overcollection by a few pennies per customer. Moreover, in the court’s opinion, the amount of overcollection would be absorbed by the administrative expense incident to the collection of the fee.¹⁸

Today, the NYSE and the American Stock Exchange (“Amex”) do not independently calculate the aggregate dollar amount of sales on which they owe Section 31 fees. Rather, the exchanges rely on each clearing member firm to self-report the aggregate dollar amount of its sales, to multiply that amount by the fee rate, and to pay the exchanges the resulting amount. Most other equities exchanges calculate the aggregate dollar amount of sales that are subject to Section 31 fees based on the amount of each clearing member’s transactions that are reported to the consolidated tape. Exchanges review firm records in the examination process but generally

¹⁶ NYSE Rule 440 was amended in 1971 and 1976 and no longer contains language *directing* member organizations to charge the fee to customers. Rule 440H currently provides:

(1) Each member and each member organization engaged in clearing or settling transactions effected upon the Exchange shall maintain a daily record of the aggregate dollar amount of the sales of securities made upon the Exchange and cleared or settled by him or it. The amount of money shall be computed upon the actual sales price, disregarding commissions and taxes. Blotter dates shall be used throughout. All sales of securities on the Exchange shall be included, other than bonds, debentures and other evidences of indebtedness and any sale or any class of securities which the SEC may, by rule, exempt from the imposition of the fee which the SEC imposes upon the Exchange under Section 31 of the Securities Exchange Act of 1934. Odd-lot dealers shall record both the round lots and the odd lots which they sell on the Exchange Floor. If a member or member organization clears and settles a transaction for a member or member organization which in turn clears it for another principal, only the member or the member organization settling the transaction shall include the transaction in its record kept pursuant to this paragraph. Monthly reports (Form 120-A) of the daily totals above referred to shall be submitted to the Exchange in the manner described below.

(2) Each such reporting member or member organization shall pay to the Exchange as a "Transaction Fee" a sum equal to the dollar amount as prescribed in Section 31 of the Securities Exchange Act of 1934 based on the total aggregate dollar sales volume reported monthly on Form 120-A. Such transactions as may from time to time be required to be reported on Form 120-A are hereinafter referred to as "120-A Transactions". The total amount payable as shown on the Form 120-A report shall be due and payable monthly, on such date each month as the Exchange's Rule 440 shall require the Form 120-A referred to therein to be filed with the Exchange, and payment of such charge, if any, as shall be due with respect to 120-A Transactions in a month shall be and hereby is required to accompany the Form 120-A filed with respect to such month.

¹⁷ See *Rosin v. New York Stock Exchange, Inc.*, 1972 U.S. Dist. LEXIS 14166, Fed. Sec. L. Rep. (CCH) P93518 (N.D. Ill. 1972), *aff'd* 484 F.2d 179 (7th Cir. Ill. 1973).

¹⁸ *Id.*

do not verify the accuracy of the aggregate amounts paid to the Commission, such as by comparing the amounts paid to reported volume.

Pursuant to the Omnibus Consolidated Appropriations Act for Fiscal Year 1997 (“Appropriations Act”) and Section 31 of the Act as amended by the National Securities Markets Improvement Act of 1996,¹⁹ the obligation to pay transaction fees was extended to the NASD. Effective January 1, 1997, the NASD was required to pay a fee on the aggregate amount of sales transacted by or through any NASD member otherwise than on a national securities exchange of non-debt securities subject to prompt last sale reporting. The NASD promptly amended Schedule A, Section 8 of the NASD By-Laws to authorize the NASD to recoup the SEC transaction fees assessed against the NASD from its members.²⁰

The NASD collects fees through clearing firms that are NASD members based on the aggregate dollar amount of sales transactions reported by these firms and their correspondents to the Automated Confirmation Transaction (“ACT”) Service (after filtering out sales that are exempt).²¹ The NASD calculates the fees based on each transaction attributed on a monthly basis. Each clearing firm’s transactions are consolidated with all reported trades of its correspondents, and the NASD debits each clearing firm’s account at NSCC on a monthly basis. An NASD-generated invoice is forwarded to each clearing member as confirmation of the deduction.

Almost immediately, industry participants experienced difficulties in reconciling the fees charged by the NASD with fees charged by NASD members to correspondents and customers. The diverse structure of the over-the-counter market and the wide variety of executing, clearing, and reporting arrangements employed by brokers, dealers, electronic communications networks (“ECNs”), and systems operated by Nasdaq made it almost impossible to reconcile amounts collected by broker-dealers with amounts charged by the NASD. The NASD has worked diligently since 1998 in an effort to reduce the reconciliation burden associated with these fees but, due to rounding and other factors discussed below, considerable overages have accumulated at many broker-dealer firms.

III. Factors Contributing to Reconciliation Problems

The complexity of calculating and collecting fees and assessments is acutely apparent to NASD members who have identified certain overlap and gaps that result from the current billing process. The problems are evident for NASD members because, unlike the practice on the NYSE where members self-report the aggregate dollar amount of sales transactions and the corresponding fee due, the NASD calculates and bills clearing members for their transactions as well as the transactions of their correspondents. For many reasons, the amounts that clearing members and the NASD calculate do not reconcile. Although the NASD developed a facility to

¹⁹ Pub. L. No. 104-290, 110 Stat. 3416.

²⁰ Securities Exchange Act Release No. 34-38133 (January 7, 1997), 62 FR 1940. In proposing the amendments, the NASD stated that members will be free to pass the proposed fee through to those customers whose transactions were subject to the fee, as is generally done with respect to the existing Section 31 fee on national securities exchanges.

²¹ ACT does not capture all sales on which Section 31 fees are due. NASD must rely on member self-reporting for certain odd-lot sales, sales occurring in the Alternative Display Facility (“ADF”) where trades are reported in a separate system known as the Transaction Reporting and Comparison System (“TRACS”), and sales resulting from the exercise of an over-the-counter option.

provide clearing firms with trade by trade detail of every transaction subject to the fee, attempts to reconcile have been futile due to the enormous amount of data for any particular day.

The root causes for the reconciliation problems are many. For example, in addition to the rounding issue discussed above, certain common trading practices may result in double payment of the fee by SRO members. Odd-lot transactions in Section 31 fee-eligible securities are subject to the fee notwithstanding that these transactions are not reported in ACT. If a firm executes a round lot and subsequently books all the trades as odd-lots in customer accounts, the fee will be charged twice because firms separately report odd-lots. Likewise, odd-lots executed through Nasdaq systems are charged the fee but members' systems generally can't distinguish such trades and so they are separately reported with the member's other odd-lot trades in a month-end report to the NASD.

Trades executed in multiple markets and confirmed at a single average price to the customer also create reconciliation problems. For instance, in order to obtain best execution, a broker-dealer may execute an institution's large order in part on a national securities exchange and in part in the third market. The trade will be combined and confirmed to the customer at an average price to reduce settlement costs charged to the customer. Firms, though, must process the average price transaction on their books as either an exchange transaction or an over-the-counter transaction, and set aside the Section 31 fee in the corresponding Section 31 fee accrual account. If the average price transaction is processed as an exchange trade, the entire Section 31 fee will be submitted to the appropriate exchange at the end of the month, but the NASD also will bill and collect the Section 31 fee for the portion of the transaction that was executed over-the-counter and reported to ACT.²² Differences in collection dates for the fees add another layer of complexity onto the process. The NASD charges the fee on trade date while the NYSE and the regional exchanges charge on settlement date, making it almost impossible to reconcile charges, particularly for large orders executed in multiple markets.

Reconciliation is further complicated by the use of ECNs and other mechanisms designed to ensure anonymity. For example, if a broker-dealer sends a customer order to an ECN and that trade is executed in a Nasdaq system, the trade report reflects the ECN as the seller. The NASD bills the ECN (or the ECN's clearing firm) for the Section 31 fee and the ECN must then send an invoice to the broker-dealer (at month-end) who has charged the ultimate customer and accrued the charge on its books. The complex network of third party billing necessitated by the current process is a costly and time-consuming challenge for many firms.

IV. Suggested Method for Allocating Transaction Fee Among SRO Members

As noted above, the statute obligates *SROs* to pay transaction fees and assessments. The SEC is responsible for collection of these fees and assessments on behalf of the federal government. Allocation of the fee beyond the point of collection by the SEC is the responsibility of the SROs and processes the SROs establish for collecting from their members should be within the discretion of the SRO so long as it is consistent with the Act, particularly the requirement that dues, fees, and other charges imposed by the exchange be allocated equitably among the exchange's members.²³

²² If firms are forced to book such trades to both markets, it will increase settlement costs for customers.

²³ Any new procedure that an SRO adopts for allocating Section 31 fees among its members might be required to be filed with the Commission pursuant to Section 19(b) of the Act.

Given the ongoing difficulties with the NASD's billing process, the Committee believes the only feasible method for the SROs to collect Section 31 fees from their members must be based on self-reporting by members. Notably, in establishing a new Trading Activity Fee ("TAF"), which is similar in purpose to Section 31 fees, the NASD abandoned the practice of invoicing clearing members and instead chose to base the fee on data self-reported by members, a method that the SEC approved as consistent with the Act.²⁴ To our knowledge, self-reporting has worked well in the TAF context, with the NASD collecting adequate contributions to ensure appropriate levels of funding overall. In what is perhaps the best example of the efficacy of such a collection process, millions of American taxpayers self-report their income and taxes due to the Internal Revenue Service each year.

We are not suggesting that the SROs simply accept the market values of trading activity reported by their broker-dealer members. The amounts self-reported by members can be aggregated and used to validate the amounts reported to the Commission using the process proposed in the instant amendments. Moreover, because the SROs will be producing the documentation on which the SEC's calculation will be based, the SROs can estimate fees due from members and can compare this with actual collections.

Differences between the amount SROs collect and the amount the SEC determines it is due could indicate problems with the underlying data that forms the basis for the calculation. If SROs consistently collected more (or less) than the amount due to the SEC, there would be a strong incentive for the SRO to address and resolve the reasons for the differences, *e.g.*, gaps or overlap, or to provide a plain language description of the fee collection requirements, including if and how the fee would apply to certain sample trades. For example, the Committee believes the overages created by rounding can be minimized if the SROs simply revise the formula that is used.

We expect that SROs would expand the scope of their examination and audit procedures to include testing for compliance with Section 31 reporting and payment requirements, similar to what the NASD has done in connection with the TAF. For example, a firm's trading records could be examined against records produced by the SRO to ensure that the appropriate amounts are being charged and collected. Moreover, these payments to the SRO represent an expense to the broker-dealer and are reported as such on their financial statements, which are audited annually by independent certified public accountants. As a result of the certification requirements of the Sarbanes-Oxley Act of 2002, financial statements are being scrutinized as never before.²⁵

V. Conclusion

The Committee believes the proposal establishes a procedure for the Commission to obtain a reliable measure of the aggregate dollar amount of covered sales and the total amount of covered round turn transactions and, using that information, to calculate the appropriate amount

²⁴ Securities Exchange Act Release No. 34-47946 (May 30, 2003), 68 FR 34021.

²⁵ Pub. L. No. 107-204, 116 Stat. 745. As required by Section 302 of the Sarbanes-Oxley Act of 2002, the Commission adopted rules requiring that the principal executive officer(s) and principal financial officer(s) of reporting companies certify to the accuracy of the financial and other disclosures in each annual and quarterly report. *See* Securities Act Release No. 33-8124 (August 28, 2002), 67 FR 57276. Because most broker-dealers are reporting companies, the certification requirements would apply.

of fees and assessments due from each SRO pursuant to Section 31. The proposal does not, and should not, address how SROs pass transaction fees along to their members and, in turn, how their members pass transaction fees along to customers. Nevertheless, given the Commission's strong interest in ensuring that appropriate amounts are collected under Section 31, we believe the Commission should be involved in developing a uniform process for allocating transaction fees beyond SROs. The method we propose allows for the efficient collection of proper amounts by the SEC, while relieving SRO members, particularly NASD members, of the administrative and financial burdens that now accompany the collection process.

We thank you for the opportunity to comment. If we can provide additional information, or if you would like to discuss our views further, please contact the undersigned or Tom Monahan, SIA Staff Adviser, at 212.608.1500.

Sincerely,

Ernest A. Pittarelli
Chairman
SIA Operations Committee

CC: Annette L. Nazareth, Director, Division of Market Regulation
Robert L.D. Colby, Deputy Director, Division of Market Regulation
Michael Gaw, Special Counsel, Division of Market Regulation
Christopher Solgan, Attorney, Division of Market Regulation
T. Grant Callery, Senior Vice President and General Counsel, NASD
James F. Duffy, Senior Vice President and Associate General Counsel, NYSE
Eric Van Allen, Assistant General Counsel, American Stock Exchange
Mary Beth Tobin, Boston Stock Exchange
Everton McLennon, Philadelphia Stock Exchange
Steven Ferkau, Manager, Chicago Stock Exchange
Edward O'Malley, Senior Vice President, National Stock Exchange
Pam Zielezinski, Operations, Archipelago
Michael Cahill, President and Chief Operating Officer, OCC
Karen Saperstein, General Counsel, NSCC
Donald D. Kittell, Executive Vice President, SIA
George R. Kramer, Acting General Counsel, SIA
SIA Operations Committee