



February 11, 2014

Dear Members of Congress,

SIFMA urges your support of H.R. 3448, the "Small Cap Liquidity Reform Act of 2013. We commend Congressman Duffy for his leadership in putting forward a proposal that could improve the trading liquidity of small cap stocks. This legislation establishes a pilot program, managed by the Securities and Exchange Commission (SEC), to widen the quoting increment for a basket of stocks from a penny to a nickel or dime. Importantly, a "Manager's Amendment" was adopted during the Committee's consideration of the bill which would give the SEC the discretion to evaluate whether a trading restriction in small cap stocks is appropriate for the tick size pilot program. SIFMA has previously testified before Congress as to our concerns with any restriction of trading within the spread which would distort the free-market competition that exists today and harm retail investors, so we appreciate this amendment's removal of the trading restriction.

Including and beyond this legislation, SIFMA and its member firms encourage Congress to complete a comprehensive review of the environment for capital formation. America's success depends on a vibrant financial system that provides access to capital and credit at a reasonable price. The capital markets provide funding to people across America allowing them to build on their dreams of opening a small business, saving to send their children to college, buying their first home or saving for retirement.

With that goal in mind, we urge you to support H.R. 3448.

Sincerely,

A handwritten signature in blue ink, which appears to read "Ken Bentsen".

Kenneth E. Bentsen, Jr.
President & CEO, SIFMA

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