

# FINANCIAL INFORMATION FORUM

March 21, 2024

## **By electronic mail**

U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549–1090  
Attn: Vanessa A. Countryman, Secretary

**Re: Request for exemption from the requirements that an industry member report linkage between (i) a representative order and a customer order, and (ii) an order fulfillment for a customer and a representative or principal order, for specified unlinked workflows**

Dear Ms. Countryman,

On behalf of our member firms that are defined as “Industry Members” under the national market system plan governing the creation, implementation, and maintenance of a consolidated audit trail (the “CAT NMS Plan”),<sup>1</sup> Financial Information Forum (“FIF”) requests that the Securities and Exchange Commission (the “Commission”) grant such firms and other industry members exemptive relief pursuant to the Commission’s authority under Section 36 of the Securities Exchange Act of 1934 (the “Exchange Act”)<sup>2</sup> and Rule 608(e) of Regulation NMS under the Exchange Act<sup>3</sup> from certain reporting requirements under the CAT NMS Plan. Specifically, FIF requests exemptive relief from the following reporting requirements under the CAT NMS Plan, as discussed in further detail below: (i) for unlinked

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<sup>1</sup> Limited Liability Company Agreement of Consolidated Audit Trail, LLC (July 24, 2020), available at <https://catnmsplan.com/sites/default/files/2020-07/LLC-Agreement-of-Consolidated-Audit-Trail-LLC-as-of-7.24.20.pdf> (“CAT NMS Plan”).

<sup>2</sup> 15 U.S.C. §78mm(a)(1) provides, in relevant part, that the “Commission, by rule, regulation, or order, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.” The reference to the Commission’s authority to grant exemptive relief to “any person” makes clear that the Commission is authorized to grant exemptive relief to Industry Members.

<sup>3</sup> 17 CFR §242.608(e) provides that “[t]he Commission may exempt from the provisions of this section, either unconditionally or on specified terms and conditions, any self-regulatory organization, member thereof, or specified security, if the Commission determines that such exemption is consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and perfection of the mechanisms of, a national market system.” The reference to the Commission’s authority to grant exemptive relief to “any ... member” of a self-regulatory organization makes clear that the Commission is authorized to grant exemptive relief to Industry Members.

representative order workflows (as defined below), the requirement that an Industry Member report linkage between a representative order and a customer order; and (ii) for unlinked fulfillment workflows (as defined below), the requirement that an Industry Member report linkage between (A) an order fulfillment for a customer and (B) a representative or principal order.<sup>4</sup> For the reasons discussed in this request, FIF members believe the requested exemptive relief is “necessary or appropriate in the public interest, and is consistent with the protection of investors,” and is “consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and perfection of the mechanisms of, a national market system.”<sup>5</sup>

**I. FIF members request exemptive relief from the requirement that an Industry Member report linkage between a representative order and a customer order; the requested relief would only apply for an unlinked representative order workflow**

**A. Background**

Rule 613(e)(1) of Regulation NMS requires the CAT system to “... store and make available to regulators data in a uniform electronic format, and in a form in which all events pertaining to the same originating order are linked together in a manner that ensures timely and accurate retrieval of the information” for all reportable events for that order.<sup>6</sup> Section 3 of Appendix D to the CAT NMS Plan provides that

By using the daisy chain approach the Plan Processor must be able to link all related order events from all CAT Reporters involved in the lifecycle of an order. At a minimum, the Central Repository must be able to create the lifecycle between:

...

Customer orders to “representative” orders created in firm accounts for the purpose of facilitating a customer order (e.g., linking a customer order handled on a riskless principal basis to the street-side proprietary order)...<sup>7</sup>

On December 16, 2020, the Commission, pursuant to Section 36(a)(1) of the Exchange Act and Rule 608(e) under the Exchange Act, granted the Participants in the CAT NMS Plan (the “CAT Plan Participants”) temporary exemptive relief, until July 31, 2023, from “the requirement in Section 3, Appendix D of the CAT NMS Plan that the CAT Plan Participants create the lifecycle between customer orders to representative orders created in firm accounts for the purpose of facilitating a customer

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<sup>4</sup> FIF members do not believe that the CAT NMS Plan requires the reporting of linkages for unlinked representative order and unlinked fulfillment workflows because the CAT NMS Plan only requires the reporting of linkages that actually exist in a firm’s books and records, and -- as discussed in this request for exemption -- these linkages do not exist in a firm’s books and records for these unlinked workflows. FIF members request that the Commission either grant the exemptive relief requested in this letter or provide written guidance that the CAT NMS Plan does not require the reporting of linkages for unlinked representative order and unlinked fulfillment workflows.

<sup>5</sup> 17 CFR §242.608(e).

<sup>6</sup> 17 CFR §242.613(e)(1).

<sup>7</sup> CAT NMS Plan, Appendix D, Section 3.

order...”<sup>8</sup> On July 8, 2022, the Commission extended this temporary exemptive relief until July 31, 2024.<sup>9</sup> On May 9, 2023, the Commission extended this temporary exemptive relief until January 31, 2025.<sup>10</sup>

## **B. Request for exemption**

FIF, on behalf of our members that are Industry Members, requests exemptive relief from the requirement for Industry Members to link customer orders to representative orders. This request for exemption only applies for scenarios that involve an unlinked representative order workflow. An “unlinked representative order workflow” means a workflow where an order is communicated to a trader through an unstructured communication (for example by voice or chat) and the trader creates a representative order based on that unstructured communication. For this purpose, the term “unstructured communication” has the same meaning as described in the exemptive order granted by the Commission to the CAT Plan Participants on July 28, 2023.<sup>11</sup>

In the discussion below, we refer to the system that records the creation of the customer order as “System 1”, the “upstream system” or the “order management system” (“OMS”), and we refer to the system that records the creation of the representative order as “System 2”, the “downstream system” or the “execution management system” (“EMS”). For this purpose, the relevant consideration is the function performed by the system (i.e., System 1 records the creation of the customer order, while System 2 records the creation of the representative order) as opposed to how the system is labeled. For example, Systems 1 and 2 could be separate modules within the same system where System 1 records the creation of the customer order and System 2 records the creation of the representative order.

## **C. Requiring the linkage of representative to customer orders for unlinked representative order workflows will require changes to trading workflows and thereby result in reduced execution quality for customer orders**

### ***A manual solution for reporting linkage of representative to customer orders is not realistic for many firms***

One potential solution for Industry Members to link representative orders to customer orders for unlinked representative order workflows is a manual solution. With this solution, the System 2 trader, when creating an order that is representative of an order previously created in System 1, is required to manually input the System 1 order identifier (and other applicable order-related information) into System 2. An order identifier can be 15 or more characters in length. A representative order also can be associated to multiple customer orders, which would require the trader using System 2 to manually input each associated customer order along with the number of shares of each customer order that are represented by the representative order. For each associated customer order, the trader using System 2 would need to manually input an order identifier of 15 or more characters and an associated quantity.

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<sup>8</sup> Securities Exchange Act Release No. 90688 (Dec. 16, 2020), 85 FR 83634 (Dec. 22, 2020).

<sup>9</sup> Securities Exchange Act Release No. 95234 (July 8, 2022), 87 FR 42247 (July 14, 2022).

<sup>10</sup> Securities Exchange Act Release No. 97530 (May 19, 2023), 89 FR 33655 (May 24, 2023).

<sup>11</sup> Securities Exchange Act Release No. 98023 (July 28, 2023), 88 FR 51369 (Aug. 3, 2023), at 88 FR 51369.

Requiring this manual input involves the following challenges:

- Delays in routing and execution of customer orders will result in investors being disadvantaged, particularly in fast moving markets
- Risk of a trader input error
- Disruption to the high-touch trading process.

***Firms that implement an automated solution will need to incur significant costs; because of the required costs and work, many firms will not implement an automated solution***

Based on the challenges described above, the manual solution is not a realistic solution for many firms. These firms will need to consider an automated solution.<sup>12</sup> With this solution, System 1 must electronically send a customer order (including an order identifier) to System 2, and System 2 must be able to receive, record and process the customer order (including an order identifier) automatically. This is sometimes referred to as “staging”.

A primary challenge with the automated solution is that certain downstream systems (corresponding to System 2) only provide for manual input of order information. It will be necessary for these systems to be upgraded to accept order messages from upstream systems electronically. For many impacted firms, a significant time period will be required for this upgrade, and there will be significant cost involved. Many vendors have competing priorities and are not regulated entities, which creates an additional challenge for reporting firms. Adding to this complexity is the number of vendor-provided and in-house developed OMSs and EMSs and the large number of updated OMS to EMS integrations that would be required. The work to define, design, build, test, implement and deploy upgrades to all these interfaces is significant. Many EMSs are manual entry. Requiring the transmission of an order from an OMS to an EMS means that the EMS must now take on OMS-like qualities to “accept” or “receive” orders. This is changing the behavior and the functionality of these EMSs.

For certain firms, even where an EMS currently allows for staging, integration with multiple OMSs would still be required. Some firms have indicated that they would need to implement system changes that restrict the ability of traders to manually enter order information into an EMS. Given the numerous methods that could be available to create an order directly in an EMS, this could involve significant work, including new validations and hard errors. FIF members expect that, because of the significant costs and work involved, many firms will not implement an automated solution. FIF members also expect that vendors will resist seeking to develop these linkages given the complexity and number of linkages that they would need to develop and then support on an ongoing basis.

Beyond cost, there is another downside to automated linkage. The unstructured communications associated with unlinked representative order workflows facilitate the efficient handling of customer orders. Impeding these workflows will result in less efficient handling of customer orders, including reduced liquidity for customer orders.

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<sup>12</sup> As a clarification, the manual solution described above would involve some level of automation of System 2 because System 2 would need to provide a workflow for the trader to manually input customer order identifiers. System 2 also would need to process and store this new data element.

***Given the challenges with implementing a manual or automated solution, many firms will change their trading workflows, to the detriment of investors***

FIF members expect that, given the challenges with implementing a manual or automated solution to provide linkage of representative and customer orders, many firms will change their trading workflows.

It is likely that some firms will decide to trade these customer orders (i.e., customer orders that they currently can trade as riskless principal) as agent. This means that upstream (customer-facing) desks will have less ability to seek liquidity from downstream principal trading desks and will have to rely more on agency desks to execute large orders. If market makers reduce the liquidity that they provide for these orders, this will mean reduced customer execution quality. This also will mean a reduction in displayed liquidity in the market because market makers are more likely to display orders as compared to firms routing on an agency basis.

More specifically, upstream desks will be less likely to provide accumulate and print and guaranteed pricing for customer orders. “Accumulate and print” means that a firm creates a representative order to purchase or sell shares in the market based on a discussion with the customer and, after completing the purchase or sale, transacts with the customer. Based on the executions attained by the firm and subsequent communication between the firm and the customer, the firm will trade as either riskless principal, if the customer agrees to the price obtained by the firm in the market, or as principal, if the customer does not agree to the price obtained by the firm in the market. “Guaranteed pricing” (which is a type of accumulate and print) means that a firm agrees to provide the customer either the guaranteed price agreed between the parties or the price achieved by the broker-dealer in the market, based on which price is better for the customer. If firms do not provide the accumulate and print and guaranteed pricing services, this will mean reduced execution quality for customer orders. Firms will trade as agent, and customers will forego the opportunity for a principal fill at a better price.

**D. CAT was not intended to change trading workflows**

As discussed above, requiring linkage of representative to customer orders for unlinked representative order workflows will require significant changes to trading workflows across many industry members. CAT was not intended to change trading workflows.

**E. Linkage of representative and customer orders would require lowering of information barriers between trading desks**

To maintain information barriers that protect customer trading information, firms often seek to limit the communication of information across different desks. A requirement for firms to provide linkage for unlinked representative order workflows will mean that, in certain cases, additional information will be communicated to a trader at a downstream desk about customer orders created at an upstream desk. As one example, a downstream desk will now need to know whether an order from an upstream desk represents a customer or firm order. As a second example, a downstream desk will now need to know whether the orders sent from an upstream desk represent one or multiple customer orders. As a third

example, a downstream desk would need to know the quantity of each component customer order rather than knowing an aggregate quantity communicated by the upstream desk. As a fourth example, there could be challenges with filtering certain customer order information at the parent order level (such as the full parent order quantity) from the downstream desk.

**F. Based on the precedent that CAT does not require (i) linkage for manual routes, or (ii) linkage of allocations to order executions, CAT should not require linkage of representative to customer orders**

There is precedent for the relief that FIF members are requesting. CAT does not require linkage for manual routes. For example, the CAT Reporting Technical Specifications for Industry Members provides that a routing firm is not required to report the routedOrderID (which is used for linkage between an order route and the receipt of the order route) when the manualFlag is “true”.<sup>13</sup> A firm receiving a routed order similarly is not required to report the routedOrderID when the manualFlag is “true”.<sup>14</sup>

The manual routing workflow is similar to the unlinked representative order workflow. Both workflows involve the following steps:

- Input of an order into an upstream system
- Manual communication of the order from a natural person using the upstream system to a natural person using a downstream system
- Manual input of the order into the downstream system.

Since the Commission does not require linkage of manual routes, the Commission also should not require linkage of representative to customer orders for the unlinked representative order workflow, given the similarity of the workflows.

The Commission has also granted exemption relief to the CAT Plan Participants from requiring industry members to link allocations to order executions.<sup>15</sup> In their request for exemptive relief, the CAT Plan Participants highlighted as an important consideration the fact that execution and allocation systems typically are unlinked:

The SROs believe that reporting the account number for any subaccounts to which an execution is allocated raises significant practical problems, and would be burdensome, for CAT Reporters. The SROs explain that generally broker-dealers’ front-office systems handle order and execution processes and middle- or back-office systems handle allocation processes and that these systems operate independently of each other. The SROs believe that creating linkages between the execution and allocation processes by means of an order identifier would require extensive re-engineering of broker-dealer

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<sup>13</sup> See CAT Reporting Technical Specifications for Industry Members, Version 4.1.0 r1 (Jan. 26, 2024), available at [https://catnmsplan.com/sites/default/files/2024-01/1.26.24\\_CAT\\_Reporting\\_Technical\\_Specifications\\_for\\_Industry\\_Members\\_v4.1.0r1\\_CLEAN.pdf](https://catnmsplan.com/sites/default/files/2024-01/1.26.24_CAT_Reporting_Technical_Specifications_for_Industry_Members_v4.1.0r1_CLEAN.pdf), at 57.

<sup>14</sup> Id. at 73.

<sup>15</sup> Securities Exchange Act Release No. 77265 (Mar. 1, 2016), 81 FR 11856 (Mar. 7, 2016), at 81 FR 11866-11868.

front-, middle-, and back-office systems, and that such re-engineering would be very costly and time consuming. The SROs believe that their proposed approach would significantly reduce the burden on CAT Reporters to comply with the Rule 613 reporting requirements.<sup>16</sup>

## **G. Conclusion**

Requiring the linkage of representative to customer orders for unlinked representative order workflows will require changes to order handling workflows, which was not the intent of CAT. As discussed above, this will result in reduced execution quality for customer orders and a reduction in displayed market liquidity. Requiring this linkage will also require lowering of information barriers between trading desks. In addition, firms that implement automated linkage will need to incur significant costs. For these reasons, FIF, on behalf of our members, requests that the Commission grant exemptive relief to industry members from the requirement to link representative orders to customer orders for unlinked representative order workflows. This requested relief is consistent with the precedent that CAT does not require linkage for manual routes and the prior exemptive order granted by the Commission relating to linkage of allocations to order executions.

### **II. FIF members request exemptive relief from the requirement that an Industry Member report linkage between an order fulfillment for a customer and a representative or principal order; the requested relief would only apply for an unlinked fulfillment workflow**

#### **A. Background**

Rule 613(e)(1) of Regulation NMS requires the CAT system to “... store and make available to regulators data in a uniform electronic format, and in a form in which all events pertaining to the same originating order are linked together in a manner that ensures timely and accurate retrieval of the information” for all reportable events for that order.<sup>17</sup> Section 3 of Appendix D to the CAT NMS Plan provides that

By using the daisy chain approach the Plan Processor must be able to link all related order events from all CAT Reporters involved in the lifecycle of an order. At a minimum, the Central Repository must be able to create the lifecycle between:

...

Order events for all equity and option order handling scenarios that are currently or may potentially be used by CAT Reporters, including:

...

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<sup>16</sup> Id. at 11866.

<sup>17</sup> 17 CFR §242.613(e)(1).

Execution of customer order via allocation of shares from a pre-existing principal order....<sup>18</sup>

On December 16, 2020, the Commission, pursuant to Section 36(a)(1) of the Exchange Act and Rule 608(e) under the Exchange Act, granted the CAT Plan Participants temporary exemptive relief, until July 31, 2023, from “the requirement in Section 3, Appendix D of the CAT NMS Plan that the CAT Plan Participants create the lifecycle between customer orders to representative orders created in firm accounts for the purpose of facilitating a customer order...”<sup>19</sup> On July 8, 2022, the Commission extended this temporary exemptive relief until July 31, 2024.<sup>20</sup> On May 9, 2023, the Commission extended this temporary exemptive relief until January 31, 2025.<sup>21</sup>

## **B. Request for exemption**

FIF, on behalf of our members that are Industry Members, requests exemptive relief from the requirement for Industry Members to link order fulfillments to representative or principal orders. This request for exemptive relief only applies for scenarios that involve an unlinked fulfillment workflow. An “unlinked fulfillment workflow” means a workflow where a firm maintains an aggregated pool of executions, provides order fulfillments from that pool of executions, and does not maintain in its books and records linkage between an order fulfillment and a specific principal or representative order. As one common example of this workflow, many firms maintain a “position management system” that aggregates executions across multiple desks or execution processes prior to fulfillment against customer orders. One function of a position management system is to track in real-time a firm’s long or short position in individual securities.

## **C. Requiring linkage of order fulfillments to representative or principal orders for an unlinked fulfillment workflow would involve reporting of fabricated data**

The following is a diagram of an unlinked fulfillment workflow:

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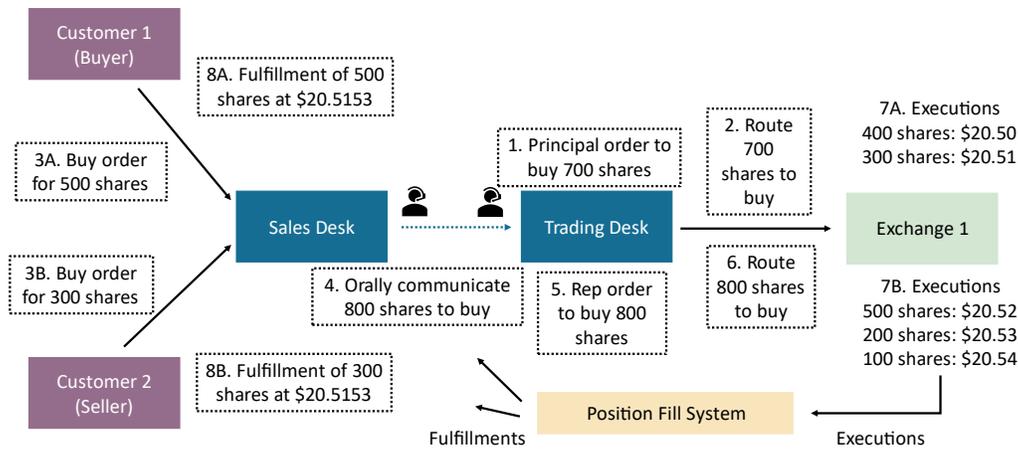
<sup>18</sup> CAT NMS Plan, Appendix D, Section 3.

<sup>19</sup> Securities Exchange Act Release No. 90688 (Dec. 16, 2020), 85 FR 83634 (Dec. 22, 2020).

<sup>20</sup> Securities Exchange Act Release No. 95234 (July 8, 2022), 87 FR 42247 (July 14, 2022).

<sup>21</sup> Securities Exchange Act Release No. 97530 (May 19, 2023), 89 FR 33655 (May 24, 2023).

## Fulfillment at weighted average execution price



In the unlinked fulfillment workflow, there is no logical link between the customer fulfillments and the principal and representative orders that resulted in the trade executions. This linkage is not required by any trading regulation, nor would it be informative to regulators; it would be a fabrication and could cause false results for anyone using the CAT data. When an Industry Member provides a fulfillment to a customer in an unlinked fulfillment workflow, the Industry Member is providing that fulfillment from a pool of executions (for example, at an average price); the Industry Member is not providing a fulfillment from a specific representative or principal order (or from a specified set of such orders). In many cases, the price at which a customer is fulfilled does not match the execution price of any specific representative or principal order because, in an unlinked fulfillment workflow, fulfillment is provided to the customer from a pool of executions, where the price represents execution of multiple representative and/or principal orders. In this scenario, if the firm links an order fulfillment to a specific representative or principal order (or a specific set of such orders) this linkage would be an inaccurate depiction of how the firm fulfilled the customer because the firm did not fulfill the customer based on a specific representative or principal order (or based on a specific set of such orders).<sup>22</sup>

### D. Requiring linkage of order fulfillments to representative or principal orders for the unlinked fulfillment workflow would require firms to undertake significant systems re-engineering work

As illustrated in the diagram above, for many firms executions are reported by one or more EMSs to a position management system. This reporting today does not involve reporting of EMS order identifiers to the position management system or an upstream OMS. Creating this linkage across multiple OMS, EMS and position management systems to provide linkage on order fulfillments will be a significant challenge and will involve re-engineering of these position management systems and the systems that

<sup>22</sup> For additional detail regarding the scenario illustrated above, please refer to Scenario 3 in the letter submitted by FIF to the Commission on February 29, 2024 (“FIF February 2024 Letter”), available at <https://fif.com/index.php/working-groups>, at 6-8.

interact with these position management systems. The diagram above illustrates a simplified scenario involving one principal order and one representative order. In many cases, fulfillments could be made to hundreds of customers from hundreds or thousands of orders across multiple trading desks within a firm and across orders that span multiple trading days.

**E. Given the challenges with implementing linkage for the unlinked fulfillment workflow, many firms will change their trading workflows, to the detriment of investors**

FIF members expect that, given the challenges with implementing linkage for the unlinked fulfillment workflow, many firms will change their trading workflows. More specifically, FIF members expect that many firms will decide to trade these customer orders (i.e., customer orders that they currently can trade as riskless principal) as agent, resulting in reduced execution quality for customer orders and a reduction in displayed market liquidity. These concerns are discussed in more detail in Section I of this exemption request.

**F. CAT was not intended to change trading workflows**

Requiring linkage of order fulfillments to representative and principal orders for the unlinked fulfillment workflow will require changes to trading workflows. CAT was not intended to change trading workflows.

**G. Based on the precedent that CAT does not require (i) linkage for manual routes, or (ii) linkage of allocations to order executions, CAT should not require linkage of order fulfillments to representative and principal orders**

As discussed in Section I above, CAT does not require linkage for manual routes. CAT also does not require linkage of allocations to order executions. An important consideration for the Commission in not requiring these linkages is that firms, in many cases, do not record and maintain these linkages in their books and records. Given that firms similarly do not maintain in their books and records linkage of order fulfillments to representative and principal orders for the unlinked fulfillment workflow, the Commission should provide exemptive relief for this workflow.

**H. In certain scenarios, linking an order fulfillment to a representative or principal order will not be possible because no representative or principal order exists**

In certain scenarios where the CAT system will require linkage (upon expiration of the current temporary exemptive relief), it will not be possible for an Industry Member to link an order fulfillment to a representative or principal order because no representative or principal order exists. FIF has described this scenario in detail in a letter submitted to the Commission on February 29, 2024.<sup>23</sup> In this scenario, the CAT system requires the Industry Member to report an Order Fulfillment event. Upon expiration of the current exemptive relief, the CAT system will require the Industry Member to further provide linkage to a representative or principal order in this scenario, but no such representative or principal order exists. The result will be that the Industry Member will not be able to report an Order Fulfillment

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<sup>23</sup> See Scenario 1 in FIF February 2024 Letter, at 4-5.

event to CAT, whereas currently the Industry Member is able to report an Order Fulfillment event to CAT.<sup>24</sup>

**I. FIF members are concerned that requiring linkage of order fulfillments to representative and principal orders will result in a significant increase in CAT processing costs**

As described above, in many cases an order fulfillment could be linked to hundreds or thousands of underlying orders across multiple trading desks and spanning multiple trading days. Given the number and complexity of the linkages that would be required for many individual executions, FIF members are justifiably concerned that requiring linkage of order fulfillments to representative and principal orders will result in a significant increase in CAT processing costs. At a minimum, the Commission, prior to mandating linkages for the unlinked fulfillment workflow, should conduct an analysis of the potential increase in processing costs that would result from such a requirement and make its analysis publicly available.

**J. Conclusion**

Requiring the linkage of order fulfillments to representative or principal orders for the unlinked fulfillment workflow will result in Industry Members reporting linkages to CAT that do not accurately reflect the fulfillment processes of these Industry Members. Requiring this linkage will also involve significant work for firms to re-engineer their position management systems and the systems that interact with these position management systems. FIF members expect that, as a result of the time and cost involved, many firms will choose not to implement this linkage and instead handle customer orders as agent. For the reasons discussed above, this would result in reduced execution quality for customer orders and a reduction in displayed liquidity. FIF members further note that the Commission does not require linkage for manual routes nor does the Commission require linkage of allocations to order executions. In certain scenarios, linkage of an order fulfillment to a representative or principal order will not be possible, and mandating these linkages will result in firms not reporting these order fulfillments to CAT because there will be no way to do so. Further, requiring this linkage would likely result in a material increase in CAT processing costs.

For all of the reasons discussed in this Section II, FIF, on behalf of our members, requests that the Commission grant exemptive relief from the requirement for Industry Members to link order fulfillments to principal or representative orders for the unlinked fulfillment workflow.

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<sup>24</sup> The same adverse result will occur for Scenario 2 described in the FIF February 2024 Letter. FIF February 2024 Letter, at 5-6.

Please contact the undersigned at [howard.meyerson@fif.com](mailto:howard.meyerson@fif.com) if you would like clarification on any of the points set forth above. Thank you for your attention to this request.

Very truly yours,

/s/ Howard Meyerson

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