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WHO WE ARE – STA

We are comprised of 24 local affiliates covering the US and Canada. The STA National Board of Governors is comprised of past presidents and industry specific leaders.

Our membership represents INDIVIDUALS from every business model – buy-side, sell-side, hedge funds, exchange traders and market makers- dealing in equity and derivative trading.

The STA DOES NOT: represent any single business model or industry group, we are NOT lobbyists and we have no agenda or special interest except to advocate policies that improve the marketplace and foster investor trust, marketplace integrity, and capital formation.

STA brings knowledge on the whole “life cycle” of an equity or derivative transaction. Issues are vetted through our national committees on: Compliance; Trading Issues and Institutional Trading.

STA Talking Points

- Provide an update on the partnership STA has formed with FIF for educating industry participants on the implementation of Large Trader Reporting, LTR.
- Discuss some the macro open items on LTR
- Discuss STA’s recommendation for the “Users Advisory Committee” (UAC) described in its letter to the Commission, dated June 22, 2011 File No. 4-631, Limit Up/Down “LULD”

General Comments on “LTR”:

1. While LTR is reasonable in concept, its implementation has complexities and market participants require additional guidance from the Commission.
2. STA, in its partnership with FIF, is an effective distribution channel for any guidance issued by the Commission on the implementation of LTR.
3. STA will do everything within its means to assist the Commission and market participants in meeting certain compliance target dates. These dates and our opinions are:
 - a. December 1, 2011; compliance date for the requirement of large traders to identify to the Commission pursuant to Rule 13h-1(b). While we feel additional guidance is needed on what activity needs to factor in for determining if an entity meets LT standards and realize the analysis firms must conduct for their use of suffixes is complex, we do not see any major open items which place this compliance target date in jeopardy.
 - b. April 30, 2012, compliance date for broker-dealers to maintain records, report, and monitor large trader activity pursuant to Rule 13h-1(d), (e), and (f). We see several open items which could jeopardize the industry’s ability to meet this deadline. They include:
 - i. EBS reporting requirement for non self clearing broker dealers who are LTs
 - ii. The need for FAQs. In particular what activity needs to be calculated and a broker dealer’s responsibilities across their execution and clearing entities
 - iii. The need for ISG to provide the EBS layout which includes the new fields
 - iv. The average price processing
 - v. Resource constraints as LULD appears to have some implementation schedule.

General Comments on “UAC”

Since the publication of comment letters on File No. 4-631, “LUD”, there continues to be considerable debate within the industry on various components of LUD. STA remains committed to the opinion it expressed in its letter to the Commission, date June 22, 2011, in particular, “The STA encourages continued due process in the review and recommendations for altering the plan. This can best be accomplished through the responsiveness of the Operating Committee to the needs of the Users Advisory Committee”.