

November 15, 2007

VIA ELECTRONIC MAIL

Barbara Z. Sweeney
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Re: *FINRA Requests Comment on Proposed Amendments to OTC Trade Reporting Requirements for Equity Securities (Notice 07-46)*

Dear Ms. Sweeney:

TD AMERITRADE, Inc.¹ (“TD AMERITRADE” or “the Firm”) appreciates the opportunity to comment on the above referenced FINRA notice soliciting comments concerning proposed amendments of the over-the-counter (“OTC”) trade reporting requirements. TD AMERITRADE strongly supports FINRA’s adoption of the executing broker reporting structure whereby the broker executing a trade between member firms would always have the trade reporting obligation.

TD AMERITRADE is an all agency broker with no market-making or trading capabilities. As such, TD AMERITRADE utilizes a Qualified Service Representative (“QSR”) trade reporting arrangement with its business counterparts. QSR provides the Firm with a transparent and simple methodology for trade comparison and trade reporting. It is unclear in the proposal if the advantages of QSR would remain and, therefore, the Firm strongly recommends that any changes continue to keep the QSR process intact.

In response to FINRA’s specific requests for comment:

- **What are the advantages and disadvantages (if any) of the current reporting structure and the two structures described above?**

The Firm believes an executing broker reporting structure provides a simple and transparent structure. Virtually all execution brokers are currently set up to report trades whereas many agency firms such as TD AMERITRADE rely on processes like the QSR for trade reporting.

¹ TD AMERITRADE is a wholly owned broker-dealer subsidiary of TD AMERITRADE Holding Corporation (“TD AMERITRADE Holding”). TD AMERITRADE Holding has a 30-year history of providing financial services to self-directed investors. TD AMERITRADE Holding’s wholly owned broker-dealer subsidiary, TD AMERITRADE serves an investor base comprised of over 6.3 million client accounts with approximately \$302 billion in assets.

As a result, for many brokers a sell-side approach would prove cumbersome and difficult to implement.

- **Is there another reporting structure or variation on the two structures described above that should be considered?**

Any changes should retain the current benefits of QSR reporting.

- **What are the technological implications and burdens associated with each of the reporting structures described above?**

The Firm believes that the implementation of a sell-side reporting structure would prove difficult and costly to implement for the industry. Based on the Firm's experience with these type of projects, firms that currently lack such reporting structures would be required to spend thousands of hours developing such systems (with costs in the hundreds of thousands, if not millions, of dollars). As noted above, TD AMERITRADE believes it is imperative that FINRA specifically continue to permit firms to rely upon QSR reporting.

- **How much time would firms need to make the necessary systems changes to implement each of the reporting structures described above?**

TD AMERITRADE believes that without the benefits of QSR reporting, the sell-side reporting approach likely would require agency-only firms to expend substantial time and money to create systems to comply. Although TD AMERITRADE has not analyzed such a requirement in detail, it could take certain firms at least 24 months to create such systems for reporting.

FINRA also is soliciting comment on a proposal to require that firms provide information to link related reports when both a tape and a non-tape report are submitted to FINRA for the same overall transaction. TD AMERITRADE does not take a position on the merits of the two options regarding the linking proposal. TD AMERITRADE believes, however, that FINRA should consider the significant benefits that providing trade identity information could have on Section 31 fee reporting by member firms. This benefit, however, could be offset by the possible impact that could occur with regard to existing reporting structures like OATS. As a result, the Firm believes that FINRA should ensure that the linking proposal does not create unintended costs regarding other reporting structures.

* * * *

Ms. Barbara Z. Sweeney

November 15, 2007

Page 3

TD AMERITRADE appreciates the opportunity to comment. Please contact me at 402/970-7007 or Christopher Nagy at 402/970-5656 if you have any questions regarding our comments.

Respectfully Submitted,

/S/

Bryce Engel
Chief Brokerage Operations Officer