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**"TALKING POINTS" February 26, 2015**

**WHO WE ARE – STA**

STA is comprised of 24 local affiliates covering the entire US and Canada. The STA national board of governors is comprised of past presidents and industry specific leaders. Our membership represents INDIVIDUALS from varying business models – buy-side, sell-side, hedge funds, exchange traders and market makers- dealing in equity and derivative trading.

**STA Issues:**

- \*Shareholder identification by third party vendors to investor relations program
- \*STA Comment letter on SEC Equity Market Structure Advisory Committee
- \*FSOC Notice Seeking Comment on Asset Management Product & Activities
- \*Update on Chair White initiatives

**Specific Comments:**

**Shareholder identification by third party vendors to investor relations program**

- \*The STA is conducting research on certain business practices between third party vendors and the investor relation programs they service involving shareholder identification.
- \*Communicating with investors is a primary function of investor relation officers and their importance has increased after Sarbanes Oxley Act 2002 & Dodd Frank.
- \*Publically available means to obtain shareholder information include; 13F Filings –Long positions, filed within 45 days at the end of each quarter by certain managers. Security Position Reports, SPR produced by DTC – Shareholder information at the custodian level
- \*Our research, has shown that asset management firms are sent inquiries on their holdings from vendors who possess authorization letters from companies (see example email)
- \*STA is not making allegations of misconduct by any third parties.

\*The STA continues to raise awareness among it buy side members on this topic and will continue to keep the Commission informed on our findings. (see letter STA to Buy Side firms)

**STA Comment letter on SEC Equity Market Structure Advisory Committee, ESMAC**

- \*STA is supportive of the EMSAC and wants to see it become a vibrant committee
- \*STA trusts the Commission intends to protect the interests of retail investors.
- \*We recommend a qualified representative from a retail brokerage firm be added.

**FSOC Notice Seeking Comment on Asset Management Product & Activities**

- \*FSOC seeking comment on whether asset management products & activities may pose potential risks to the US financial system in the areas of; liquidity & redemptions; leverage, operational functions and resolutions.

\*Deadline for comments is March 25<sup>th</sup>. STA will be writing a letter

**Update on Chair White initiatives**

- \*Registration of proprietary active traders as dealers (with FINRA)
- \*Improved record keeping for firm's algo traders

**OCC capital raise in response to it March 2014 SIFMU designation**

\*OCC filing is a unique fee structure change in that the catalyst is a regulatory action verse a competitive factor.

\*A transparent and fair process into reconciling over collections is needed