

**MEMO# 10674**

January 26, 1999

# **INSTITUTE COMMENT LETTER ON PROPOSAL TO ESTABLISH THE NASDAQ APPLICATION OF THE OPTIMARK SYSTEM**

[10674] January 26, 1999 TO: EQUITY MARKETS ADVISORY COMMITTEE No. 3-99 RE:  
INSTITUTE COMMENT LETTER ON PROPOSAL TO ESTABLISH THE NASDAQ APPLICATION OF  
THE OPTIMARK SYSTEM

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The Institute has filed a comment letter with the Securities and Exchange Commission ("SEC") supporting a proposed rule change filed by the National Association of Securities Dealers ("NASD") to establish the Nasdaq Application, a new electronic screen-based trading system based on the information processing technology provided by OptiMark. The Institute's letter states that investors, both institutional and retail, will benefit from the adoption of the proposed rule change. In particular, the letter states that the Nasdaq Application would increase transparency and facilitate best execution in securities traded on Nasdaq. The letter also discusses how the Nasdaq Application would increase liquidity, reduce trading costs, and increase the efficiency of the Nasdaq market overall. A copy of the letter, which is substantially similar to the draft letter previously circulated to the Advisory Committee, is attached. If you have any questions, please contact the undersigned by phone at (202) 371-5408 or by e-mail at [aburstein@ici.org](mailto:aburstein@ici.org). Ari Burstein  
Assistant Counsel Attachment

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