



**VIA ELECTRONIC MAIL**

September 28, 2022

Ms. Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

**Re: In the Matter of the Application of 24X National Exchange LLC for Registration as a National Securities Exchange; Order Instituting Proceedings to Determine Whether to Grant or Deny an Application for Registration as a National Securities Exchange under Section 6 of the Securities Exchange Act of 1934 (Release No. 34- 95007; File No. 10-239)**

Dear Ms. Countryman:

Blue Ocean ATS, LLC ("Blue Ocean") appreciates the opportunity to comment on the September 1, 2022 letter submitted by 24X National Exchange LLC ("24X")<sup>1</sup> in response to public comments on the application that 24X filed with the Securities and Exchange Commission ("SEC"). Blue Ocean previously submitted a comment letter on July 21, 2022 on 24X's Form 1 application.<sup>2</sup>

**Market Surveillance**

Blue Ocean raised a concern regarding how proper market surveillance would occur during times when the usual and traditional sources of market information were closed or otherwise unavailable.

24X's response was to say that it would use FINRA's services, in-house staff, and third-party software to address the matter. What it did not say was how 24X will conduct real-time surveillance during the 24X Market Session. 24X provides no explanation or details of how real-time surveillance will be conducted during the 24X Market Session which will be the most crucial time for market surveillance since no other Exchange will be open.

**Periods of Pause**

Blue Ocean raised concerns regarding how corporate actions will be treated by 24X and in its response, 24X continues to not address how corporate actions will be handled. Specifically, 24X doesn't describe how stock delistings, stock splits (forward or reverse), ticker name changes, as well as many other corporate actions are processed during the 24X Market Session. Moreover, it is not clear how 24X Exchange members would learn of corporate actions during the 24X Market Session. Outside of references to the "primary listing exchange" or "Symbol Master", there is no description of the technology that will publish this information to 24X members that are trading in these securities, as

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<sup>1</sup> <https://www.sec.gov/comments/10-239/10239-20138031-308283.pdf>

<sup>2</sup> <https://www.sec.gov/comments/10-239/10239-20134573-305126.pdf>

their orders could suddenly be impacted by a corporate action event. Blue Ocean feels strongly that this process is crucial to the marketplace and 24X doesn't provide a clear roadmap for corporate actions.

Further, because 24X will run continuously, it is not clear how 24X will conduct any internal systems testing let alone participate in industry-wide testing. Confusingly, in its response 24X states, "In regards to industry tests, 24X will revise Rule 11.1 to clarify that trading halts will allow for participation in Exchange and industry tests such as general customer testing, disaster recovery tests, industry-wide business continuity tests and other system tests." At a minimum, it seems impractical and potentially market disruptive to conduct tests with not only other Exchanges but also 24X customers during trading halts. This also suggests that the other Exchanges would have to wait to conduct any industry-wide testing until 24X is ready to participate in testing during a to be determined trading halt to occur randomly sometime in the future.

For these reasons, as well and those stated in Blue Ocean's original public comment letter dated July 21, 2022, Blue Ocean believes that 24X's application to register as an Exchange does not meet the legal and administrative requirements imposed by the Exchange Act and its implementing rules and regulations.

Respectfully submitted,

*Brian Hyndman*

Brian Hyndman  
President and Chief Executive Officer

cc: The Honorable Gary Gensler, Chairman, SEC  
The Honorable Caroline A. Crenshaw, Commissioner, SEC  
The Honorable Mark T. Uyeda, Commissioner, SEC  
The Honorable Hester M. Peirce, Commissioner, SEC  
The Honorable Jaime Lizárraga  
Director Haoxiang Zhu, Division of Trading and Markets