EWT
LLC

June 21, 2010

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Release No. 34-61902, File No. S7-09-10, Proposed Amendments to Rule 610 of Regulation NMS

Dear Ms. Murphy:

EWT, LLC ("EWT") appreciates the opportunity to provide the Securities and Exchange Commission (the "Commission") with comments on the Proposed Amendments to Rule 610 of Regulation NMS (Release No. 34-61358, 75 Fed. Reg. 20738, the "Proposed Amendments").

EWT strongly supports the Commission's efforts to create, maintain, and grow fair and efficient markets. Accordingly, we support the Proposed Amendments as the first step in the process of extending the transparency and competition brought to the equity markets by Regulation NMS into the options markets.

EWT is a proprietary, self-clearing broker-dealer registered with the Commission under Section 15 of the Securities Exchange Act of 1934. EWT is a member of the Financial Industry Regulatory Authority, the New York Stock Exchange, and NASDAQ. Together with its affiliates, EWT operates across more than 25 exchanges and market centers around the world. EWT makes markets using direction-neutral algorithms and proprietary trade execution technology. EWT has a significant market share in several asset classes and is an active participant in the public equities and options markets. EWT does not engage in customer transactions and derives its income from its proprietary market making activities on public markets, including options markets such as the Chicago Board Options Exchange ("CBOE") and the Nasdaq Options Market ("NOM"). As a market maker, EWT provides significant liquidity to the marketplace and investors.

Our experience as a significant participant in both the cash equities and options markets affords us an opportunity to contrast the development of both markets. While the equities markets have benefited tremendously from the transparency and competition brought about by Regulation NMS, the changes necessary to foster such benefits have yet to be fully accomplished in the options markets. The implementation of the Decentralized Linkage (also sometimes referred to as the Options Order Protection and Locked/Crossed Market Plan) in 2009 has fostered increased competition, resulting in increased efficiency at the exchanges and

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modestly tighter bid/offer spreads, to the benefit of all investors.[1] However, the options markets are still plagued by disparate fee structures and complicated – and sometimes exclusionary – regimes of access privileges. These structures impede optimal price discovery and deter the entrance of new market participants, slowing the diversification of liquidity providers in these markets and the additional efficiency and robustness they would provide.

Extending the fair access rules and fee caps of Rule 610 of Regulation NMS to the options market is the next logical step in realizing the benefits that the equities markets have already enjoyed through similar regulation. Fundamentally, such fee limits are necessary to ensure best execution when trade-throughs are prohibited. We feel that the $0.30 maximum is an appropriate level at this time, providing a parallel to the equity markets while taking into account the special properties of the options markets (e.g. options priced at less than a dollar may represent far greater economic exposure and therefore no special fee regime for these price points is warranted).

We view the Proposed Amendments as a positive next step in a long term process of improving the transparency and competitiveness of the options markets. For example, the Proposing Release raises important questions about payment for orderflow arrangements. Such arrangements are often opaque, and potentially create the wrong incentives for retail brokers. The Proposing Release poses the question of why exchanges employing the Make or Take model have not garnered greater market share. It is impossible to answer this question completely without examining other impacts from payment for orderflow programs. We welcome the renewed focus on options market structure that the Proposed Amendments represent, and expect that all investors will benefit from the continued evolution of this important market.

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1 For example, according to NASDAQ OMX PHLX's SIFMA Quality of Execution Reports, for May 2010, the most recent month for which data is available, average effective spreads have decreased relative to August 2009, the last month before widespread implementation of the Decentralized Linkage, despite the fact that volatility in May 2010 was substantially higher than August 2009 (a factor which significantly widened spreads in May). Despite tremendous volume in May, turnaround time was still 12% better than in August 2009, evincing improvements in technology and efficiency since the implementation of the Decentralized Linkage.

EWT appreciates the opportunity to comment on the Proposed Amendments and would be pleased to discuss any of the comments or recommendations in this letter with the Commission staff in more detail. If you have any questions, please do not hesitate to contact the undersigned at (310) 651-9746.

Sincerely,

Peter Kovac
Chief Operating Officer and
Financial and Operations Principal

cc: Mary L. Schapiro, Chairman
Kathleen L. Casey, Commissioner
Elisse B. Walter, Commissioner
Luis A. Aguilar, Commissioner
Troy A. Paredes, Commissioner

Robert W. Cook, Director
James A. Brigagliano, Deputy Director