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Via Electronic Filing

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE, Washington, DC 20549

RE: Release No. 34-70276; File No. SR-FINRA-2013-036 (Proposed Rule Change Relating to Wash Sale Transactions and FINRA Rule 5210)

Dear Ms. Murphy:

The Cornell Securities Law Clinic (“Clinic”) submits this comment letter in support of the proposal to add the Supplementary Material to FINRA Rule 5210. The Clinic is a Cornell Law School curricular offering, in which law students provide representation to public investors and public education as to investment fraud in the largely rural “Southern Tier” region of upstate New York. For more information, please see: <http://securities.lawschool.cornell.edu>.

Current FINRA rules and the federal securities laws – such as, 15 U.S.C. 78i(a)(1) and FINRA Rule 6140(b) – prohibit securities transactions that do not result in a change of beneficial ownership when there is fraudulent or manipulative motivation for the transactions at issue. In response to the recent increase in a volume of wash sales as a result of orders by automated trading system or algorithms, FINRA is proposing to add the Supplementary Material to FINRA Rule 5210 to further require firms to have reasonable policies and procedures to prevent wash sale transactions.

The Clinic supports the Proposed Supplementary Material to FINRA Rule 5210, which enhances the integrity of the market.

First, the Proposed Supplementary Material requires members to implement reasonable policies and procedures to prevent wash sales. According to FINRA, unintended wash sales, resulted by a single algorithm, can account for more than 5% of the consolidated daily trading volume in a particular security. This high volume may result in misleading market information being conveyed to other investors. The Clinic supports the goal of the Proposed Supplementary Material to decrease the amount of unintended wash sales transactions.

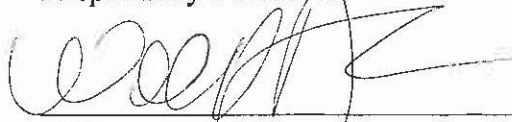


Second, the Proposed Supplementary Material allows wash sale transactions, ordered by unrelated algorithms or separate and distinct trading strategies, as an exception. FINRA recognizes the impracticality of completely prohibiting all types of automated wash sales in the market given the nature of global trading and markets. In these circumstances, the Clinic does not object to this narrow exception for wash sales from discrete algorithms or trading strategies.

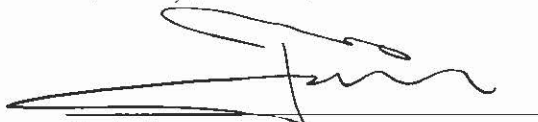
Third, the Proposed Supplementary Material confirms that this proposal will not change any preexisting duties of members on wash sale transactions under NASD Rule 3010 and FINRA Rule 2010. We support this explicit statement as to the continued applicability of these rules.

As set forth above, the Clinic supports the Proposed Supplementary Material.

Respectfully Submitted



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