We wish to comment on the reporting of odd-lot transactions for the assessment of Section 31 fees, regardless of whether such reporting is done manually or otherwise.

Nowhere in the various statements and proposals concerned with these matters have we seen any data, or even estimates, of the actual amount of money involved in relation to the costs incurred in collecting it.

Given the small size of these transactions and the low percentage level of the fees, it seems possible to us that (at least in the case of odd-lot trades) the amount of revenue generated may be exceeded by the cost of reporting and collecting it. For a trade of 50 shares at, say, $15 per share, the fee is less than 2 cents. For small firms like ours, where a given month might see only one or two odd-lot trades, we see see no way that our data could be reported and processed -- manually or automatically -- for less than that amount, and therefore believe that the reporting of such trades simply imposes excess costs on the industry, or at least on small firms like ours, without any offsetting net benefit to the public.

Even for larger firms and across the industry, we question whether the total fee revenue on odd-lot transactions would leave a net 'profit' in the form of regulatory revenue after the costs of the required reporting, monitoring, and processing systems were paid for. Perhaps we are wrong, but the various Notices to Members on this subject, even those requesting comments, have not supplied any data or estimates to help us evaluate the proposals.

We respectfully suggest that a volume threshold be set such that those small firms who rarely have such reportable odd-lot trades are not burdened with participation in a reporting system, whether manual or otherwise. Absent such a threshold, the costs of collecting and reporting our data will certainly exceed the regulatory revenue generated, which makes no sense on any level at all.

Respectfully submitted,

Chris Charles