

Collateral 'Damage' From Proposed Rule 15b9-1 Amendment, Law360, by Brendan P. McGarry

By Brendan P. McGarry
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While the close of many of this country's futures trading pits has me waxing nostalgic about my career on the trading floor of the Chicago Mercantile Exchange (later, CME Group Inc.), the U.S. Securities and Exchange Commission's proposed amendment to Rule 15b9-1 under the Securities Exchange Act of 1934 (the "Exchange Act") has me wondering if the SEC truly understands the breadth of its net and the unintended "victims" of its proposed amendment. Full disclosure: before entering private practice, I worked for 15 years on the trading floors of the Chicago Mercantile Exchange and CME Group Inc., in various capacities, for two floor brokerage companies. While my analysis of the proposed amendment is meant to be objective, my experience on the trading floor undoubtedly colors my view of rules affecting those who continue to engage in floor brokerage, market making and proprietary trading, both on and off the trading floor.