



2022 Annual Conference

May 16 –18 | Washington, DC | Hybrid Event

Market Structure: What Factors Are Driving Changes

Tuesday, May 17, 2022

4:15 p.m. – 5:15 p.m.

During this session, FINRA staff and industry practitioners discuss current developments and future trends in the industry, including best execution guidance and payment for order flow issues.

Moderator: Patrick Geraghty
Vice President, Fixed Income, Offerings, & Customer Issues (FIOCI)
FINRA Market Regulation

Panelists: Scott Kloin
Managing Director, Chief Compliance Officer & Senior Deputy General Counsel
Citadel Securities

Racquel Russell
Senior Vice President and Director Capital Markets
FINRA Office of General Counsel

Richard Wallace
Senior Vice President and Associate General Counsel
LPL Financial

Market Structure: What Factors Are Driving Changes Panelists Bios:

Moderator:



Patrick Geraghty is Vice President of the Fixed Income, Offerings and Customer Issues Group (FIOCI), providing operational management of the fixed income surveillance program and certain customer protection surveillance patterns for equities. The position oversees the fixed income teams, which conduct customer protection, market manipulation, and data-integrity surveillance patterns for TRACE-eligible and municipal securities. The position is also responsible for best execution, trading ahead surveillance patterns for equities. Mr. Geraghty works with internal and external groups including the SEC, the MSRB, the Federal Reserve Bank of NY, and the Treasury Department. Mr. Geraghty started with NASD in 1995 working in the real-time surveillance area, handling backing away complaints, trade reporting questions and locked crossed market issues. Mr. Geraghty then managed the Trading Practices and Customer Issues sections, which conducted surveillance for best execution, limit order protection and ITS/CAES trade-throughs, along with providing secondary offering surveillance under Regulation M. Mr. Geraghty also served as an advisor to the NASD Series 55 Committee during the development of the question bank for the exam. He took over the fixed income surveillance program in 2005 and has led the area through multiple expansions of TRACE to include agency debentures, asset-backed securities, mortgage-backed securities, and U.S. Treasury securities. Mr. Geraghty has a bachelor's degree in economics from Duke University.

Panelists:



Scott Kloin is Managing Director, Chief Compliance Officer & Senior Deputy General Counsel for Citadel Securities, a market maker in a broad array of equities and fixed income products. In this role, Mr. Kloin is responsible for leading the firm's compliance program and for promoting a culture of compliance and high integrity throughout the firm. Mr. Kloin and his team advise on all aspects of the laws, rules, regulations and best practices pertaining to sales, trading, quantitative research, technology, controls, and operations involving equities, listed options, futures, FX, US Treasuries, swaps. Prior to joining Citadel Securities in 2012, Mr. Kloin was Executive Director, Head of U.S. Equities Compliance of UBS Investment Bank, a full-service institutional equities broker-dealer and retail market maker. Prior to joining UBS, he was Vice President & Assistant General Counsel of JPMorgan Securities and an Associate in the financial services practice group of the law firm of Kelley Drye & Warren LLP. He earned a B.S. in Finance from the University of Maryland—College Park and a J.D. from the University of Miami and is a member of the New York and Connecticut Bars. He formerly chaired FINRA's Market Regulation Committee.



Racquel Russell is Senior Vice President and Director of Capital Markets in FINRA's Office of General Counsel (OGC). In this role, Ms. Russell oversees the Capital Markets Office as it develops new policy initiatives, provides counsel to the Department of Market Regulation and Transparency Services, and supports the fixed income examinations of the Member Supervision Department. She also provides expert guidance to the FINRA Board of Governors and senior management. Ms. Russell joined OGC in 2008 and previously served as an Associate General Counsel and an Assistant General Counsel. Prior to joining FINRA, Ms. Russell was a Vice President in the Legal and Compliance Department at J.P. Morgan, London, UK. She also worked in a variety of legal roles at the U.S. Securities and Exchange Commission, including as a Branch Chief for Trading Practices in the Division of Trading and Markets. Ms. Russell earned a B.A. in Psychology from Canisius College and J.D. and M.B.A. degrees from the State University of New York at Buffalo, School of Law and School of Management.



Richard G. Wallace is Senior Vice President and Assistant General Counsel at LPL Financial LLC, a registered broker-dealer and investment advisor. He provides legal advice on trading and operational issues. Previously Mr. Wallace was a Vice President at FINRA where he oversaw the department's legal group, handling enforcement and policy issues. He also worked in the Enforcement Division of the U.S. Securities and Exchange Commission in Washington, D.C. As a partner at Foley & Lardner LLC, Mr. Wallace represented brokerage firms on market structure issues.

Market Structure: What Factors Are Driving Changes

Panelists

○ Moderator

- Patrick Geraghty, Vice President, Fixed Income, Offerings, & Customer Issues (FIOCI), FINRA Market Regulation

○ Panelists

- Scott Kloin, Managing Director, Chief Compliance Officer & Senior Deputy General Counsel, Citadel Securities
- Racquel Russell, Senior Vice President and Director Capital Markets, FINRA Office of General Counsel
- Richard Wallace, Senior Vice President and Associate General Counsel, LPL Financial



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Resources:

FINRA Resources:

- FINRA Regulatory Notice 22-04, *FINRA Reminds Member Firms of Obligation to Execute Marketable Customer Orders Fully and Promptly* (January 2022)
www.finra.org/rules-guidance/notices/22-04
- FINRA Regulatory Notice 21-35, *FINRA Requests Comment on Proposed Order Routing Disclosure Requirements for OTC Equity Securities and Potential Steps to Facilitate Investor Access to Current Order Routing Disclosures for NMS Securities* (October 2021)
www.finra.org/rules-guidance/notices/21-35
- FINRA Regulatory Notice 21-23, *FINRA Reminds Member Firms of Requirements Concerning Best Execution and Payment for Order Flow* (June 2021)
www.finra.org/rules-guidance/notices/21-23
- FINRA Regulatory Notice 15-46, *Guidance on Best Execution Obligations in Equity, Options and Fixed Income Markets* (November 2015)
www.finra.org/rules-guidance/notices/15-46
- FINRA Regulatory Notice 14-54, *FINRA Reminds Firms of Extended Hours Trading Disclosures* (December 2014)
www.finra.org/rules-guidance/notices/14-54

SEC Resources:

- Securities and Exchange Commission Rule, *Market Data Infrastructure Rule* (Effective date: June 2021)
www.sec.gov/rules/final/2020/34-90610.pdf
- Securities and Exchange Commission Proposal, *Further Definition of “As a Part of a Regular Business” in the Definition of Dealer and Government Securities Dealer* (March 2022)
www.sec.gov/rules/proposed/2022/34-94524.pdf
- Securities and Exchange Commission Proposal, *Shortening the Securities Transaction Settlement Cycle* (February 2022)
www.sec.gov/rules/proposed/2022/34-94196.pdf

- Securities and Exchange Commission *Proposal, Amendments Regarding the Definition of “Exchange” and Alternative Trading Systems (ATs) That Trade U.S. Treasury and Agency Securities, National Market System (NMS) Stocks, and Other Securities* (January 2022)

www.sec.gov/rules/proposed/2022/34-94062.pdf

- Securities and Exchange Commission Speech, *“The Names Bond”: Remarks at City Week by Chair Gary Gensler* (April 26, 2022)

www.sec.gov/news/speech/gensler-names-bond-042622