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September 25, 2026

Via Electronic Submission

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1700 K Street, NW
Washington, DC 20006

Re: FINRA Regulatory Notice 26-15 — Request for Comment on Modernizing FINRA's Best Execution Guidance

Dear Ms. Mitchell:

Maven Securities ("Maven" or "the Firm") appreciates the opportunity to comment on FINRA Regulatory Notice 26-15 ("the Notice"), in which FINRA requests comment on modernizing its best execution guidance under Rule 5310 (Best Execution and Interpositioning). Maven has a registered broker-dealer and options market maker within its group that actively participates across multiple U.S. options exchanges. Maven does not operate a retail brokerage, wholesale or consolidator business, and does not pay for order flow. Our perspective is that of a liquidity provider that competes on price to trade with orders, and that can only do so when those orders are genuinely exposed to competition. That competition ultimately benefits the investors who submit those orders, and it is with their interests in mind that we write this letter.

We write to express our strong support for the comment letter submitted by Simplex Trading, LLC ("Simplex") on September 25, 2026. Like that letter, our comments focus on Section 8 of the Notice (Listed Options). We share Simplex's view that this modernization initiative presents a critical and timely opportunity for FINRA to enhance its guidance on structural practices that are reducing price improvement for retail investors, reducing competition, and concentrating options market-making into an increasingly small number of vertically integrated firms (firms with a wholesale/routing broker along with an affiliated market-maker). The current framework allows a routing broker to use its relationship with an affiliated market maker to maximize internalization of retail orders through practices such as unbundling (breaking a single customer order into smaller pieces sized to capture exchange allocation entitlements) rather than exposing the whole order to price competition, for example through an exchange price improvement auction. We, like many other market participants, believe that this runs contrary to the customer's interest in competitive pricing and warrants further scrutiny, for the reasons set out below.

FINRA's existing guidance is a strong foundation for listed options

We support FINRA's engagement on this topic to build on its existing best execution principles for the benefit of investors' orders. Those principles already set a clear standard for listed options:

- (a) Rule 5310(a)(1) requires reasonable diligence so that "the resultant price to the customer is as favorable as possible under prevailing market conditions." Where an auction or other mechanism

offers a realistic opportunity for price improvement, routing designed to guarantee an affiliate's fill at the NBBO cannot, without more, meet that standard.

(b) Supplementary Material .01 requires a member to "make every effort to execute a marketable customer order that it receives fully and promptly." A marketable order that is deliberately fragmented and sequenced across venues in a manner likely to suit an affiliate's queue position is not being handled with *every effort* on the customer's behalf, nor, in our view, with the *reasonable diligence* required by Rule 5310(a)(1).

(c) Supplementary Material .09(b) requires firms to compare the execution quality of their current arrangements, including internalization, with that of competing markets, and to consider price improvement opportunities and "the existence of internalization or payment for order flow arrangements." Regulatory Notice 15-46 adds that the possibility of price improvement is a "heightened consideration" where payment for order flow is received, and that a firm that routinely routes a customer order to multiple trading centers "should regularly review the execution quality that results from this practice."

Taken together, this guidance points to a clear principle: a customer's listed options order must be handled to maximize the customer's opportunity for a better price, ahead of any competing interest. We ask FINRA to make that principle explicit in its enhanced guidance, and to examine for and enforce against practices that fall short of it.

Unbundling: how it works and why it likely harms the customer

Options exchanges grant designated or preferenced market makers (for example DPMs and LMMs) allocation entitlements when they are quoting at the NBBO. These typically include the entire allocation of small orders (commonly five contracts or fewer) and a substantial guaranteed participation in larger orders, regardless of queue position. A routing broker that knows where its affiliate holds these entitlements can split a customer order to fit them.¹

This is the outcome FINRA's own guidance cautions against. As the Notice restates, obtaining the best bid or offer "may not satisfy the firm's best execution obligation, particularly with respect to small orders." Unbundling turns one customer order into several small orders executed at the NBBO. We therefore support Simplex's proposal that unbundling for the purpose of increasing internalization be treated as presumptively inconsistent with best execution, and its view that trading revenue recycled as price improvement on other customers' orders is no answer. Best execution is owed to each customer.

Such a presumption is not novel. Rule 5310(b) already places the burden on the member where it employs a broker's broker or other intermediary between the customer and the market: "the burden of showing the acceptable circumstances for doing so is on the member." The same logic should apply to unbundling and affiliate routing. FINRA should not have to prove customer harm; the routing firm, which designs and controls the routing logic and holds the relevant data, should be required to demonstrate that the customer received an outcome at least as good as the reasonably available alternatives, including auction exposure of the whole order.

¹ The following example reflects a routing pattern that occurs in the market today. A retail customer submits a 20-contract marketable order. Rather than sending the whole order to a single exchange or into a price improvement auction, where all participants could compete to improve the price, the routing broker splits it into four 5-contract orders and sends one to each of four exchanges where its affiliate is quoting at the NBBO with a small-order entitlement. The affiliate is allocated all 20 contracts at the NBBO, and other participants have little or no opportunity to interact with the order or to improve price.

Bypassing price improvement auctions, and the use of affiliate information

Routing an order to an affiliate's displayed quote instead of initiating a price improvement auction (for example CUBE, PRISM, AIM or PIXL) can, in appropriate circumstances, be a best execution failure in its own right. It is a particular concern where the routing broker has access to its affiliate's internal theoretical values and therefore knows that a better price is available.

We ask FINRA at a minimum to articulate a simple unifying principle: where information flows between an affiliated market maker and a routing broker, it must be used for the benefit of the customer, not the firm. If a routing broker knows that its affiliate values an order at a price better than the NBBO, the customer, not the affiliate, should have the opportunity to capture that difference, for example by the routing broker initiating an auction. Information that is shared on the basis that it improves customer outcomes should be required to demonstrably do so.

FINRA should also give specific guidance on which categories of information may and may not be shared by a market maker with an affiliated routing broker, including (i) internal theoretical prices; (ii) real-time queue position; (iii) inventory and hedging state; and (iv) auction initiation signals. Absent clear guidance, silence risks being treated as permission.

Exchange best execution rules should not fall below the FINRA standard

We are also concerned that the current trend in regulatory guidance and exchange rulemaking, illustrated by the recent adoption of NYSE Arca Rule 11.5310 (SR-NYSEArca-2026-59, approved June 9, 2026), is, in our view, moving in the wrong direction vis-à-vis customer protection: reducing the formal obligations of routing/wholesale brokers rather than strengthening them. While Rule 11.5310 mirrors the core text of FINRA Rule 5310, it omits Supplementary Material .09 and .01, discussed above, and limits the principal-capacity obligation in paragraph (e) to transactions "executed as principal and contemporaneously offset." These are precisely the provisions most relevant to unbundling and affiliate routing. We ask that FINRA work with the Commission and the options exchanges to ensure that exchange best execution rules are no less protective than Rule 5310, so that the standard applied to a customer's options order does not depend on whose rulebook applies.

Maven supports a standalone, formal consultation on best execution in listed options with all interested parties. That process should build on the foundation FINRA has already laid and enhance protections so that a customer's order is handled to obtain the most favorable terms reasonably available for that customer. We appreciate the opportunity to comment and would welcome the opportunity to discuss these issues with FINRA staff.

Sincerely,

/s/ Kevin Devlin
Senior Corporate Development Manager
Maven Securities