

VIA EMAIL (rule-comments@sec.gov)

February 24, 2026

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number 4-698
Responses to SEC Staff Questions Related to an Amendment to the National Market System Plan Governing the Consolidated Audit Trail Regarding CAT Funding Model

Dear Ms. Countryman:

Consolidated Audit Trail, LLC (“CAT LLC”), on behalf of the Participants¹ in the National Market System Plan Governing the Consolidated Audit Trail² (the “CAT NMS Plan” or “Plan”), submits this letter to provide responses to certain questions received from the staff of the U.S. Securities and Exchange Commission (the “Commission” or “SEC”) (the “Staff”) regarding CAT LLC’s proposed amendment to the CAT NMS Plan to implement a revised funding model (“Funding Proposal”) for the consolidated audit trail (“CAT”) and to establish a fee schedule for Participant CAT fees (the “Proposed Amendment”).³

Proprietary Versus Customer Trading Activity. The Staff asked CAT LLC to consider effects on executing brokers trading for their own account compared to those trading for a customer’s account under the Funding Proposal. As noted in the Proposed Amendment, “those CAT Executing Brokers that do not directly pass-through their CAT fees may account for and

¹ The twenty-seven Participants of the CAT NMS Plan are: BOX Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe Exchange, Inc., Financial Industry Regulatory Authority, Inc., Investors Exchange LLC, Long-Term Stock Exchange, Inc., MEMX LLC, Miami International Securities Exchange LLC, MIAX Emerald, LLC, MIAX PEARL, LLC, MIAX Sapphire, LLC, Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, The NASDAQ Stock Market LLC, Nasdaq Texas, LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc., NYSE Texas, Inc., and 24X National Exchange LLC.

² The CAT NMS Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Securities Exchange Act of 1934 (“Exchange Act”) and the rules and regulations thereunder. *See* Exchange Act Release No. 79318 (Nov. 15, 2016), 81 Fed. Reg. 84696 (Nov. 23, 2016). The full text of the CAT NMS Plan is available at www.catnmsplan.com. Unless otherwise defined herein, capitalized terms are defined as set forth in the CAT NMS Plan.

³ *See* Letter from Robert Walley, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Commission, dated September 5, 2025 https://catnmsplan.com/sites/default/files/2025-09/09.05.25_Plan_Amendment-2025_CAT_Funding_Model.pdf; Securities Exchange Act Rel. No. 103960 (Sept. 12, 2025), 90 Fed. Reg. 44910 (Sept. 17, 2025). On November 21, 2025, the Commission published an order instituting proceedings to determine whether to approve or disapprove the Proposed Amendment. Securities Exchange Act Rel. No. 104234 (Nov. 21, 2025), 90 Fed. Reg. 54438 (Nov. 26, 2025) (“OIP”). CAT LLC submitted a comment letter responding to the OIP and public comments filed with the Commission related to the Proposed Amendment on December 18, 2025. Letter from Robert Walley, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Commission, dated December 18, 2025 https://www.catnmsplan.com/sites/default/files/2025-12/LLC_CAT-Response-to-Comments_Funding-Proposal-12.18.25.pdf.

recover such fees as part of their overall business costs when considering and establishing other revenue-generating sources.”⁴ CAT LLC further explained:

CAT LLC does not believe that the Funding Proposal raises issues with regard to Industry Members that do not have customers, and therefore cannot directly pass their CAT fees on and must pay for their CAT fees in other ways. Such Industry Members should not be evaluated differently based upon the inability to recoup CAT fees by directly assessing them to counterparties that are not customers. First, as noted above, the Funding Proposal does not set forth any requirement regarding whether or not an Industry Member may or may not pass-through its CAT fees to its customers; such pass-throughs are outside of the Funding Proposal. Second, each CAT Executing Broker will need to determine for itself how it will obtain the funds to pay for its CAT fees. Industry Members that do not have customers have revenue-generating activity other than direct pass-through of fees to fund the CAT fees (e.g., market making activity). As a former member of the Advisory Committee for the CAT and the former Chief Economist of the Commission explained, even if CAT fees are not passed through directly, such costs would ultimately be passed on through a change in services or other costs.⁵

Relatedly, the Staff asked for a breakdown of the total number of invoices that were sent to Industry Members for each billing month from September 2024 through December 2025. This monthly breakdown is provided in the table below. In total, 576 unique Industry Members have received payable invoices since September 2024.⁶

Billing Month	Total Industry Member Invoices
September 2024	485
October 2024	475
November 2024	493
December 2024	501
January 2025	510
February 2025	522
March 2025	513
April 2025	513
May 2025	512
June 2025	511
July 2025	494
August 2025	504
September 2025	498
October 2025*	976
November 2025	496

⁴ Proposed Amendment at 44928.

⁵ *Id.* at 44931 (citing Letter from Larry Harris, Fred V. Keenan Chair in Finance, USC Marshall School of Business, to Vanessa Countryman, Secretary, SEC (June 21, 2022) at 2.).

⁶ This figure does not include Industry Members that received a \$0.00 invoice, which occurs when an Industry Member’s trading activity does not result in a CAT fee of at least \$0.01.

December 2025**	191
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* Invoices were split into two invoices for October 2025. Counts reflect the total number of invoices.

** Reflects invoices only for firms who owed a late fee.

Total Costs to Build the CAT. The Staff asked CAT LLC to provide the total costs to build the CAT from 2016 onward. As detailed in Exhibit A, costs to build the CAT (Capitalized Developed Technology Costs) from April 1, 2019 through September 30, 2025, were \$66,232,684. This does not include Thesys costs to build the CAT from 2016 through March 2019 of \$75,205,874, for which a full impairment loss was recorded in 2019. Costs to build and operate CAT from 2016 through FAM 4 (i.e., July 15, 2024) (including Capitalized Developed Technology Costs and Operational Costs) were \$905,924,056, which does not take into consideration excluded costs of \$83,253,089.⁷ Backing out excluded costs of \$83,253,089 results in a net cost to build and operate CAT from 2016 through FAM 4 of \$822,670,966.

Breakdown of Cloud Fees. The Staff asked CAT LLC to describe which CAT AWS cloud fees were attributable to CAIS versus non-CAIS activity. In the second half of 2025, CAT AWS cloud fees totaled \$45.8 million (excluding a \$1.95 million workload credit) and were attributable to (rounded percentages):

- CAIS: 8%
- Non-CAIS Compute: 57%, comprised of:
 - Linker: 29%
 - Data Processing: 25%
 - Query Tools: 3%
- Non-CAIS Storage: 34%

In the second half of 2025, the total inbound event volume was 95.75 trillion records, with an average monthly inbound event volume of 16 trillion events. In the second half of 2025, the average storage footprint was 840 PB, total compute hours were 15.4 million hours, and monthly average compute hours were 2.57 million hours.

Daily Records. The Staff asked CAT LLC to provide the daily average number of records received by the CAT for a recent time period. The average daily volume for Q3 2025 was 793 billion events per day, and the average daily volume for Q4 2025 was 704 billion events per day.

⁷ CAT LLC determined to exclude the following three categories of CAT costs from recovery under Historical CAT Assessment 1 because they relate to the delay in the start of reporting to the CAT and the conclusion of CAT LLC's relationship with the Initial Plan Processor: (1) \$14,749,362 of costs related to the termination of the relationship with the Initial Plan Processor; (2) \$48,874,937, which are all CAT costs incurred from November 15, 2017 through November 15, 2018; and (3) \$19,628,791, which are costs paid to the Initial Plan Processor from November 16, 2018 through February 2019 when the relationship with the Initial Plan Processor was concluded. The Participants are responsible for 100% of these costs. More information about these excluded costs is provided in the Participant fee filings for Historical CAT Assessment 1. See, e.g., Securities Exchange Act Rel. No. 101087 (Sept. 18, 2024), 89 Fed. Reg. 78614 (Sept. 25, 2024), <https://www.govinfo.gov/content/pkg/FR-2024-09-25/pdf/2024-21759.pdf>.

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Options and Equities Volumes. The Staff asked CAT LLC to provide more recent numbers regarding the split between options and equities in terms of executed share volume, noting that the most recent data the Staff has is from March 2023. Executed equivalent share volume is aggregated monthly, including data for options versus equities, and made publicly available on the Billing and Trade Summaries page of the CAT website.⁸

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Thank you for your attention to this matter. If you have any questions or comments, please contact me at rwalley@deloitteired.com.

Respectfully submitted,

/s/ Robert Walley

Robert Walley
CAT NMS Plan Operating Committee Chair

cc: The Hon. Paul S. Atkins, Chairman
The Hon. Hester M. Peirce, Commissioner
The Hon. Mark T. Uyeda, Commissioner
Mr. Jamie Selway, Director, Division of Trading and Markets
Mr. David Hsu, Assistant Director, Division of Trading and Markets
Ms. Erika Berg, Special Counsel, Division of Trading and Markets
CAT NMS Plan Participants

⁸ See Billing and Trade Summaries, Consolidated Audit Trail <https://www.catnmsplan.com/billing-trade-summaries> (last accessed February 5, 2026).

Exhibit A

Consolidated Audit Trail											
Summary of Historical Costs by Year											
	2017	2018	2019	2020	2021	2022	2023	2024	January 1 through September 30, 2025	Total	
Capitalized Developed Technology Costs			14,617,032	18,702,318	10,534,152	6,457,026	4,438,244	6,444,881	5,039,031	66,232,684	
Thesys Costs to Build the CAT for which a Full Impairment Loss was Recorded in 2019	28,125,000	47,080,874								75,205,874	
	2016	2017	2018	2019	2020	2021	2022	2023	January 1 through July 15, 2024	Total	
Capitalized Developed Technology Costs				14,617,032	18,702,318	10,534,152	6,457,026	4,438,244	4,390,485	59,139,257	
Operating Costs	4,148,921	8,554,848	11,104,487	38,019,464	93,515,300	141,428,528	181,102,247	184,969,187	108,735,943	771,578,925	
Thesys Costs to Build the CAT for which a Full Impairment Loss was Recorded in 2019		28,125,000	47,080,874							75,205,874	
Total Costs to Build and Operate CAT from 2016 through July 15, 2024 (FAM 4)	4,148,921	36,679,848	58,185,361	52,636,496	112,217,618	151,962,680	187,559,273	189,407,431	113,126,428	905,924,056	
Excluded Costs			(48,874,937)	(22,299,230)	(12,078,923)					(83,253,089)	
Net Cost to Build and Operate CAT from 2016 through July 15, 2024 (FAM 4)	4,148,921	36,679,848	9,310,423	30,337,266	100,138,695	151,962,680	187,559,273	189,407,431	113,126,428	822,670,966	