

**Statement for the Joint CFTC-SEC Advisory Committee on Emerging Regulatory  
Issues**

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The American Association of Individual Investors (AAII) is a nonprofit organization that provides investment education, information and resources. AAII is comprised of approximately 150,000 individuals. The typical member has an intermediate knowledge of investing and holds an undergraduate or graduate degree. The majority of AAII members trade online through a discount broker.

Many individual investors continue to have questions concerning the May 6 "flash crash." They are unsure about the procedures that caused stock prices to become so volatile. They are worried that solutions have not been established to prevent similar events from occurring in the future. They wonder about how much control over the movement of stock prices has been ceded to complex software programs that trade within milliseconds. They don't understand how market makers could have allowed some highly liquid stocks to fall to a penny per share. Most importantly, they are asking where the protections are for the individual investor.

The biggest impact of the flash crash, from the standpoint of the individual investor, was not the effect it had on their brokerage account balances, but rather the effect it had on their confidence. They are concerned that unusual volatility, such as the large price swings that transpired on May 6, could occur again. They are also worried about the possibility of a buy or sell order, especially a stop order, not being executed in an orderly fashion.