

Re: IEX Form 1 Application; File no. 10-222

February 8, 2016

TO:
U.S. Securities and Exchange Commission
100 F. Street, N.W.
Washington, D.C. 20549

Dear Commission:

In consideration of the 350-plus comments already submitted in response to IEX's Form 1 application, I appreciate any time that is allocated to the review of my commentary.

**I WRITE IN SUPPORT OF IEX'S EXCHANGE APPLICATION AND THE
MARKET-BASED SOLUTION THEY BRING TO THE PUBLIC INTEREST**

The issue of high-frequency trading firms using America's stock markets to front-run average American investors came to the public eye largely because of Michael Lewis's book, "Flash Boys," which was published in March of 2014. As we near the two-year anniversary of its release, we have yet to see any combative reform to the predatory practices that are still ongoing in the public markets. There continues to be only one playing field offered by the public exchanges; and it is one that is tilted in favor of short-term high-speed players that pay millions of dollars to access market data before other participants. This highly lucrative and unjust symbiotic relationship between the public exchanges and high frequency trading firms continues to exploit American investors; and it is no surprise that its biggest beneficiaries – NYSE, Nasdaq, Citadel – are the same ones that have launched the most egregious lobbying efforts to block IEX's approval. In the matter of fairness, competition, investor protection, and public trust, I believe IEX's application to become a public exchange should be expeditiously approved by the Commission.

I support IEX's Form 1 application because IEX's exchange would offer American investors an immediate market-based reform. IEX's platform represents an entrepreneurial solution that naturally results from market improprieties. The IEX exchange mitigates the advantages high frequency traders have over average market participants, which translates to investor protections without having to wait for uncertain government action. Unsurprisingly, the entities that are amassing huge amounts of wealth off of the current system argue that the problems in the equity markets should be fixed *only* by government regulation. They would prefer to have their

current situation prolonged by slow-churning legislative and regulatory processes, rather than having their “party” ended by a pro-competitive mechanism. These frivolous regulatory-based arguments are being promulgated solely to raise the barriers of entry for IEX, and they are a waste of the Commission’s time and resources. The Commission should swiftly dispose of these patently self-interested maneuvers, and grant approval of IEX’s application. By allowing IEX to merely compete, the Commission effectuates expedited market-based protections for investors. This would eliminate the uncertainty of reform that would otherwise exist in the hands of the government. If it is eventually determined that a comprehensive framework of reform is needed for America’s equity markets, at least IEX’s exchange would provide protection to American investors in the interim.

Furthermore, I support IEX’s Form 1 application because an IEX exchange would equate to a freedom of choice for investors. Investors that prefer to employ long-term value investing strategies need a playing field where they know they won’t be scalped by participants with faster moving technology. IEX offers that playing field through uniform access to market data for all participants. This allows one to invest with more peace of mind.

I believe that whether IEX has a spot amongst America’s public exchanges is a decision that should ultimately be rendered by the market – NOT by the special interests of the few. As the Chief Investment Officer at Yale, Mr. David Swensen, said, “Maybe IEX’s business model will work and maybe it won’t, but the S.E.C. should act in the public interest.” (*NYT*, Op-ed, 12/24/2015). I agree with Mr. Swensen, and I hope that in considering IEX’s application, the Commission stays true to its mission: “to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.”

I appreciate your time and consideration,

Jonathan M. Prihodka
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