

October 26, 2015

Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

Subject: Investors' Exchange LLC Exchange Application (File No: 10-222)

Dear Mr. Fields,

I am submitting this comment letter on behalf of millions of Retail Investors like myself who want to participate in the equity market and enjoy trade-data privacy protections which can decrease trading costs and subsequently increase trading returns. I appreciate the opportunity to express support for the exchange application of Investors' Exchange LLC ("IEX") with the Securities and Exchange Commission ("SEC").

I support IEX and feel the following benefits have great promise for the Retail Investor.

**Conflict-Free Pricing:** IEX charges a low fee to both liquidity makers and takers, thus eliminating rebate distortions and further aligning brokers with their clients. Rebates create an incentive for the Retail Brokerage to "sell" trade flow which ultimately harms the retail investor. This conflict of interest is eliminated with the IEX pricing/business model.

**Equal Access:** IEX welcomes all participants on equal terms. As a result, certain high-frequency trading firms have become active users, showing that all types of firms can provide valuable liquidity to the market under IEX's construct.

**Fair Order Types:** IEX offers just a handful of order types that provide simplistic functionality to all market participants, rather than hundreds of complex order types that benefit specific classes of participants at the cost of the retail investor.

**Safe Technology:** Instead of offering co-location and enhanced connectivity that advantage a select few, IEX utilizes a 350-microsecond "speed bump" that precludes certain participants from exploiting advance price information from other markets. This technology can be equally utilized by the retail and institutional investor to protect the confidential nature of trade data thereby reducing trading costs.

**Transparency:** IEX was the first ATS to publically disseminate their SEC Form ATS and IEX's website details available order types, order parameters, and market data as well as execution costs and order -book priority. Other ATSs have followed IEX's lead it would be consistent for IEX to implement additional transparency initiatives as an exchange.

**Increased Access:** The retail investor will enjoy increased access to the tools and services that IEX provides once IEX has secured "Full Exchange" status over the current ATS designation. By becoming a formal Exchange, IEX will enjoy increased legitimacy in the market which should be an incentive for Discount Brokerages to connect to IEX and offer associated protections to the retail investor. On April 15, 2014, in accordance with my rights under FINRA Rule 5310, I requested that my Brokerage, route my trades to IEX so that I could enjoy the protections the IEX platform offered. On April 24, 2014 the Brokerage denied my request. April 29, 2014, I resubmitted my request to route trades to IEX. Finally, on October 27, 2014 the Brokerage denied my request and changed the denial reason. In this letter they stated, that through their Active Trader Platform, they can route trades directly to certain Exchanges where significant trading takes place, but they do not directly connect to any of the 50 alternative trading venues. It stands to reason that with IEX reclassified as an Exchange, other retail traders like me should have easier access to IEX technology and benefits.

**Reduction in Cyber Security Threat:** Imagine that you turn on the news and a ***BREAKING NEWS ANNOUNCEMENT***, is being broadcast. "***A sophisticated group of Russia cyber criminals is using ultra high speed technology to hack into the United States Equities markets and has been generating risk-less trades which skimmed Billions of dollars off the profits of American investors***". Imagine these Russians were using cybercrime techniques like Quote Stuffing, Co-location, Hide-Not-Slide market orders and dozens of other cyber-techniques to generate hundreds of millions of dollars in riskless profits each year. Surely there would be universal outrage and associated inquires at how to secure our nations markets from these nefarious international actors. Possibly the FBI, Department of Justice, Homeland Security, or DoD's Cyber Command could be called to action to remedy this matter. Unfortunately, this exact scenario is ongoing today, but in addition to Russian, Chinese, and other hackers, there are a myriad of American based high-frequency trading firms that are scalping billions of dollars from Retail Investors. But in this existing night-mare scenario, everyone is on the take. The discount brokerage trading firm gets paid for order flow, the exchange gets paid to sell technology and services to high-frequency trading firms, the high-frequency trading firms make billions in riskless trading, the lobbyist get paid by the high-frequency trading firms to lobby congress to reduce regulation, the politicians fatten their campaign contributions, and the financial media has huge advertising revenue streams, so they are more comfortable looking the other way. Everyone is profiting except the Retail Investor whose trades are sold to other parties and the bottom line end result is reduced profits, reduced gains, and ultimately, the reduction in the lives saving so many Retail Investors rely on for retirement or their children's higher education. Fortunately, there

exists a simple market based solution which protects the Retail Investor and IEX has employed it and is making that available to investors of all classes.

I am proud to submit this comment to the SEC in support for IEX's application to become an exchange. It is consistent with everything the SEC's mission statement is about.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Weiss". The signature is fluid and cursive, with a large initial "D" and "W".

Cc:

The Honorable Mary Jo White, Chair  
The Honorable Luis A. Aguilar, Commissioner  
The Honorable Daniel M. Gallagher, Commissioner  
The Honorable Michael S. Piwowar, Commissioner  
The Honorable Kara M. Stein, Commissione