December 7, 2016

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street NW
Washington, DC 20549-1090

UNIVERSITY OF NOTRE DAME

MENDOZA COLLEGE OF BUSINESS

Re: File No. S7-14-15: Securities and Exchange Commission; Disclosure of Order Handling Information

Dear Mr. Fields:

I appreciate the opportunity to comment on the Securities and Exchange Commission's ("SEC") proposed rule related to the Disclosure of Order Handling Information. This proposal would require a broker-dealer to provide specific details regarding where a customer's institutional orders were routed, making an aggregate list of all institutional orders handled by the broker-dealer publicly accessible, and requiring more disclosures for retail orders on the limit order characteristics and any payments received for order flow.[1] While "Rule 606 is supposed to show how well brokers are fulfilling their legal obligations to get the best execution," even with the new rule proposal, execution quality is not properly reflected by continuing to ignore certain execution metrics.[2] I support the proposed rule change, but suggest that the SEC should strive to make the Rule 606 disclosure requirements for brokers more in line with the Rule 605 disclosure requirements for market-makers, to assist retail clients in obtaining and understanding better execution quality statistics.

According to Bill Alpert of Barron's, retail investors currently have it quite good, as market makers will often fill their orders immediately, knowing that their order is not just a portion of larger, hidden order that can have substantial price impact.[2] However, they still need to be concerned with execution quality of their brokers, even though they might not know how to look for it. Unfortunately, the current reporting statistics (both required and currently proposed), are not very informative. Rule 605 helps all investors see market-makers execution quality statistics, but "a market maker's average execution across all of its sending brokers may be better or worse than its performance on a particular broker's flow.[2]" Therefore, brokers rather than exchanges should be required to report on their own order execution quality, to properly reflect valuable metrics of their actual performance.

Within these newly suggested execution quality reports, the metrics required should more adequately reflect a broker's performance, instead of simply showing order flow and payments received. For example, how brokers handle orders of different size, regarding where they route them, needs to be disclosed. Depending on the size of the order, the price improvement can vary widely, which can have a significant effect on the retail client's returns.[2]

[1] Disclosure of Order Handling Information, Exchange Act Release No. 34-78309, 81 Fed. Reg. 49,432 (December 5, 2016) ("Proposing Release").
[2] Bill Alpert, "Exclusive: Who Makes Money on Your Stock Trades," *Barrons*, (February 28, 2015).

While Rule 606 does make a step in the right direction of improving disclosures for retail clients, other information should be released for retail clients to be able to properly judge their brokers performance. The standards market-makers are held by in Rule 605, could easily be applied to brokers in Rule 606. By requiring brokers to report on execution statistics, the information forthcoming will be more representative of the broker's actual execution, which will be more beneficial to retail clients.

Warm Regards,

Sarah Haley
University of Notre Dame, Class of 2017