

March 26, 2023

By Email

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
rule-comments@sec.gov

RE: Rule Proposal File No. S7-30-22; Release No. 34-96494; Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders

Dear Ms. Countryman:

We appreciate the ability to comment in strong support for the proposed tick size regime in File No. S7-30-22; Release No. 34-96494; Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders. I believe that implementing a variable minimum pricing increment model that applies to both quoting and trading of NMS stocks will promote fair and transparent pricing across trading venues. However, to avoid any confusion or litigation, we recommend that clear and unambiguous language be included in the rule structure. Additionally, we suggest that the definition of tick-constrained should apply to as much of the market as possible, and the rule should not be watered down by a narrow definition.

Furthermore, we strongly urge the elimination of exchange rebates to enhance transparency and fairness in the market. Instead of allowing rebates and other inducements in the marketplace, a zero or very low fee structure should be established to eliminate the potential for trading for the sake of volume.

In addition, we support the acceleration of the implementation of the revised round lot definition and odd lot dissemination on the SIP to enhance reporting efficiency and reduce delays. Odd lots are a majority of trades and should have a greater impact on price. It is crucial to ensure that odd lots impact the NBBO and have a concrete effect on both price and broker's duty of best execution.

As household investors, we want to highlight the importance of taking these steps to regain public confidence and trust in the market, particularly considering recent events like the GameStop (GME) controversy occurring January 2021. Therefore, we strongly support enforcement measures, higher fines, bigger penalties, and actual consequences to promote accountability and transparency in the market.

Moreover, individual investors would be willing to support an additional 0.64 cents more a share to avoid being routed through a wholesaler that has been charged over 70 times by the United States government¹. The price improvement provided by these wholesalers is minimal and not worth the damage they bring to the market. Investors would also be willing to pay commissions to avoid being routed through a wholesaler, especially one with a long record of flouting the law like Citadel Securities².

¹ (https://files.brokercheck.finra.org/firm/firm_116797.pdf)

² (https://files.brokercheck.finra.org/firm/firm_116797.pdf)

Lastly, we fully support the harmonization of tick sizes across all exchanges, with no exceptions or vague language. All exchanges should be trading and providing quotes according to the same rules to avoid monopolistic control and promote fair competition.

Thank you for considering our views and suggestions.

Sincerely,

Chris and Donna Graves
Household Investors