

To whom it may concern, as a household (retail) investor, I approve of the rule to support best execution policies and procedures, with the following points:

- Clearly, it is in retail's best interest to ensure that best execution is being considered for our trades. It would be naive to expect all broker-dealers to prioritize retail's interest over a possible conflict with their own interests, without a rule-set to enforce that practice.
- This rule would also help protect broker-dealers from undue pressure by other big market participants that may try to influence their execution practices. Not the least of which is payment for order flow, which incentivizes them to treat retail as a product, rather than as a client. As such, we support the ban or restriction of off-exchange PFOF (pg.365) and protection from wholesalers that do not truly benefit retail.
- A standard set of written practices would help retail investors to easily see and understand how best execution is provided by their broker-dealer, without undue complication or significant differences across different agents. As well as allow individuals to decide for themselves how they want their orders treated.
- Inter-positioning (pg.16) also presents a serious cause of concern for retail, not just for best price, but for any third party use that may harm retail's investment through illegal market manipulation or basic conflict of interest. As a retail investor, I strongly support holding broker-dealers responsible for inter-positioning, so that such attempts at market manipulation have more safeguards against them.
- As stated in Proposed Rule 1101(a)(1) – Framework for Compliance with the Best Execution Standard, the proposed rule offers significant improvement over the standards set by FINRA and MSRB. I do not agree with criticisms that the proposed rule overly complicates something already covered by these other policies, but see this as a necessary addition in order to create a more legitimate and stable market for all participants.
- The consideration of reasonably accessible information from a market for the purposes of identifying material potential liquidity sources (pg.71) will encourage market participants to make such information available to broker-dealers and the public so that they may be considered by traders according to the guidelines established by this rule. As such, this has the potential of helping create a better, more fair, and more stable market, rather than the current system which forces the majority of trades into a small number of market makers.
- The requirement for revision of procedures and policies if an annual report's execution quality comparison shows that a change is warranted, is extremely important if this rule is to provide any meaningful change (pg.153). If broker-dealers are not held accountable for failing to execute the best quality trades, with expected improvements introduced, then the requirement of creating the report in the first place will have been pointless.
- I agree with the suggestion that some of the costs of procedure improvements be passed on to the retail customer (pg.176). If we are to work together to build a more fair, stable, and competitive market, then it is only fair that retail be expected to take on some of economic impact, within reasonable limits.

I offer the following points of dissent or adjustment to the rule proposal:

- While it is understandable that in a complex system participants must be given a certain amount of leeway in order to operate a successful business, there is still the potential for exploiting exemptions suggested in this rule (pg. 45). It is my opinion that this group of exemptions should be extremely narrow and rigorously inspected, to avoid creating unnecessary loop-holes that threaten to void the entire purpose of the proposed rule change.
- As for the amount of trades being executed by wholesalers off of NMS exchange (aka dark-pools), I would gladly suffer greater adverse selection risk and price impact than allow for a system of execution that remains entirely opaque. There is far too much room for market

manipulation when 90% of orders can be routed off lit-exchanges, essentially allowing these wholesalers to decide which trades impact an individual security's price discovery, rather than true price discovery based on the market at large.

As such, I am strongly opposed to allowing broker-dealers to continue to route retail trades off the NMS exchange. Retail should be given a clear choice about whether our trades are executed on a lit-exchange or within a dark-pool, as it has the potential to fundamentally impact the securities that we invest in.

Sincerely,  
Nellie Bly