



**John C. Coker**  
Registered Options and Securities Futures Principal

October 18, 2023

**VIA ELECTRONIC SUBMISSION**

Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street N.E.  
Washington, D.C. 20549

**Re: SR-EMERALD-2023-28**

Dear Ms. Countryman:

Webull Financial LLC (“Webull” or the “firm”) appreciates the opportunity to comment on the Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Its Fee Schedule Related to the Options Regulatory Fee, Release No. 34-98728, File No. SR-EMERALD-2023-28. The proposed rule change will allow the MIAX Emerald Options Exchange to adjust the Option Regulatory Fee on any month during the year instead of bi-annually on set dates, 6-months apart, on February 1<sup>st</sup>, and August 1<sup>st</sup>. Webull opposes this proposed process change and similar previously enacted and future proposed changes from other exchanges due to the unnecessary operational burden it places on brokerage firms and corresponding increased risk of customer harm.

In the past two years, the aggregate Options Regulatory Fee (“ORF”) fee has changed at least fifteen times on varying dates throughout the year. While Webull understands that exchanges are adjusting their fees due to historically high option trading volumes, we do not see the necessity for adjustments to be made more frequently, especially when there’s a surplus of funds. While making fee adjustments is a standard part of doing business as a brokerage firm, it has become increasingly taxing to continually effect operational adjustments at a higher frequency, especially taking into account an increasing number of market participants. From an operational perspective, each time a fee is changed, brokerage firm staff, across multiple departments, must make immediate, coordinated adjustments to the trade order entry screen, the website’s pricing page, statements and trade confirmations, and the back-end trade booking system, at a minimum. Additionally, there are other downstream impacts on domestic and foreign introducing brokers that must make adjustments to their systems.

To exemplify the difficulties faced by the firm and other brokerages, September 2023 included a delayed ORF change due to the launch of the Member’s Exchange, the NYSE AMEX and NYSE ARCA fee holiday, and the reversal of the CBOE BZX and CBOE ORF fee change. Due to the unreasonably short - one-day - notice of postponing the ORF fee change on September 20<sup>th</sup> due to the delayed launch of the Member’s Exchange Options, impacted firms were forced to reconcile clearance breaks and credit customer accounts retrospectively because of the fee mismatch. Shortly thereafter, when our staff was preparing for the NYSE AMEX and ARCA fee holiday change, the Chicago Board of Options Exchange sent a notice on Friday, September 29<sup>th</sup> at 4:35pm informing it’s subscribers that the ORF fee was changing the next business day October 2<sup>nd</sup>, 2023. Ultimately, the

Vanessa Countryman  
October 17, 2023  
Page 2

overall ORF fee was projected to change 4 times in less than a two-week period. Needless to say, this is a burdensome and inefficient process for brokerage firms to manage.

Currently there are 17 option exchanges with an 18<sup>th</sup> one projected to go live at the start of the new year. Brokerage firms are forced to monitor exchange websites, checking every alert they send via email, and viewing the SEC filings. As you may imagine, it becomes even more taxing when a brokerage firm is required to keep track of 18 exchanges that can change their fees at any time during the year.

Webull encourages the Commission to consider rejecting the proposal and all similar future proposals which allow Option Exchanges to update the ORF fee on any month during the year. Webull does not see the need for exchanges to increase the frequency of when regulatory fees can be changed because of surpluses received. Instead, Webull believes that it would be optimal and present less burden to firms if options exchanges implement a more reasonable, bi-annual schedule, limiting changes to February 1<sup>st</sup> and August 1<sup>st</sup>.

Sincerely,



John Coker