February 20, 2020

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: Notice of Filing of Proposed Rule Change to Add a New Discretionary Limit Order Type, Release No. 87814, File No. SR-IEX-2019-15

Dear Ms. Countryman:

The London Company appreciates the opportunity to comment on IEX's D-Limit proposal. We are an investment advisor based on Richmond, Virginia, founded in 1994 and with over $10 billion in current assets under management. Our strategies focus on US equity management across all market capitalizations and our global client base includes institutional, high net worth and sub-advisory investors.

As a market participant representing both institutional and individual investors for over 25 years, we have observed significant evolution in the equity markets. We have seen the rise of electronic trading, new order handling rules, ECNs, dark pools and the introduction of Reg NMS have a significant impact on trading. While many of these changes have served to improve the trading environment and the experience of investors, there have also been setbacks. The decline in traditional market making and the rise of high frequency trading, along with structural changes and revenue model shifts in the exchange space, made speed the most important factor in trading outcomes, one that has created another kind of un-level playing field to replace the one that existed in the past. Primary side effects of what has become a more a difficult displayed trading environment have been the rise of off-exchange trading, increased used of dark orders and thinning liquidity across the market. Virtually all innovation in the exchange and trading space over the past decade has been focused on dark and off-exchange trading while displayed trading has languished. Recent increases in negative commentary about the state of displayed markets reflect a real concern from market participants including ourselves, particularly those representing institutional and individual investors, despite a continued period of low market volatility which has otherwise typically been associated with healthy levels of accessible liquidity.

IEX has been uniquely recognized for its innovative market structure and order types designed to deemphasize speed advantages and level the playing field for participants that represent institutions and ultimately individual investors. Through its discretionary pegged order types and the Crumbling Quote Indicator (CQI), IEX has established the largest venue for midpoint trading. And the IEX D-Limit proposal now seeks to bring some of these benefits to displayed trading, the most important segment of the equity market.

D-Limit is a displayed order that adjusts to a less aggressive price when the CQI is on, avoiding trading during brief moments of market instability when latency arbitrage strategies take advantage of participants not fast enough to move out of the way and avoid trading at potentially stale prices. We believe that D-Limit will both result in better performance for orders handled by our brokers that provide displayed liquidity and encourage more displayed trading across the board from all participant types. In its filing IEX has supplied data showing that while these orders are designed to avoid executions when the NBBO is predicted to crumble, liquidity displayed with D-Limit orders will be accessible throughout the day for all non-latency arbitrage strategies, with the IEX signal firing for mere seconds of the trading day. While some comments on the proposal so far have expressed concern about fading liquidity and inaccessible quotes, we are confident that D-Limit orders will be as accessible to our orders and those representing other institutional asset managers as any other liquidity is available today from other venues.

By contrast, the only other proposal that has attempted to address the displayed trading environment, the asymmetrical delay filing from CBOE's EDGA market, appears to be specifically targeted to the most sophisticated trading participants, those with the ability to adjust their orders and quotes in 4 milliseconds. Furthermore, their proposal converts the entire EDGA market into an unprotected displayed trading environment, providing no optionality to participants while maintaining their prices on the public NBBO feeds. It is unclear to us how brokers representing institutional and individual clients will be able to take advantage of the EDGA asymmetrical speedbump while meeting their best execution responsibilities. Conversely, IEX's proposal is tailored to all segments of the market in a non-discriminatory manner, without introducing any additional complexity, delays or unprotected quotes.

The reality is that the displayed trading environment today is not a level playing field. Displayed quotes today are often fleeting and largely accessible only to the fastest participants when the market moves, with predictably unfavorable outcomes for liquidity providers and seekers not quick enough to respond to sub-millisecond changes in market conditions. This has resulted in a decline in displayed market liquidity and an increased reliance on off-exchange venues and liquidity providers, weakening the very aspect of the market that drives price discovery. In our opinion, D-Limit addresses this issue head-on in a fair and transparent manner, and has the capacity to not only create a more level playing field but to improve the overall displayed trading environment for all market participants.

The London Company believes that D-Limit will become a vital new tool for IEX, and potentially other exchanges who choose to adopt similar order types, as well as all market participants looking to trade in the displayed markets. We urge the Commission to approve the filing.

Sincerely,

David L. Brooks

David Brooks
Director of Trading