

# The Wall Street Coach

Creating Wealth & Meaning

January 15, 2016

Mr. Brent J. Fields  
Secretary U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

Re: Investor's Exchange LLC Form 1 Application (Release No. 34-75925; File No. 10-222)

Dear Mr. Fields:

I write to voice my support for SEC approval of the Investor's Exchange Application. I was surprised and confused to learn that the SEC would hesitate to approve the Investor's Exchange Application, when it's so clear that the Investor's Exchange LLC was created as a representation of the foundational mission of the US Securities and Exchange Commission.

According to information published on the SEC website, the SEC exists to "protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation," and further to "oversee the key participants in the securities world, including securities exchanges, securities brokers and dealers, investment advisors, and mutual funds." Furthermore, Regulation National Market System (Reg NMS), approved by the SEC stipulates, ***"that the NMS must meet the needs of longer-term investors, and that any other outcome would be contrary to the Exchange Act and its objectives of promoting fair and efficient markets that serve the public interest."***<sup>1</sup>

As High Frequency Trading has increased in prominence and influence, investors are finally able, thanks to the Investor's Exchange (IEX), to know that their trades will adhere to the very qualities the SEC aims to regulate – high standards of fair dealing, transparency, and investor protection. The IEX structure is specifically designed to help address the unique needs of more long-term investors trading in the at times volatile national securities markets.

IEX is focused on creating a fair, simple and transparent market center dedicated to investor protection. Wouldn't having an exchange focused on transparency and investor protection actually assist the SEC with achieving the ultimate goal of facilitating fair capital formation?

It is my understanding, that one of the world's largest pension fund, Norges, has publicly voiced their support for IEX, as well as T. Rowe Price along with numerous other large and small investment managers. This investor support demonstrates that having a transparent and honest exchange such as IEX is what the world needs now, more than ever.

I can still remember the first time I saw Brad Katsuyama on CNBC in April 2014. I had never heard of Brad or IEX before, but I sat awe-struck while I watched him hold his composure while the then President of BATS Global Markets physically poked him, interrupted him, and tried what appeared like simple bullying tactics on national television. I heard the traders on the NYSE cheer Brad on as he stood up to the BATS President, who appeared to be very afraid of the truth being revealed about the way BATS operated.

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<sup>1</sup> United States. Securities Exchange Commission. *Final Rule – Regulation NMS*. Release No. 34-51808; File No. S7-10-04; RIN 3235-AJ18, Section I.B.2 pg 16 . 2005.

< <https://www.sec.gov/rules/final/34-51808.pdf> >

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Watching Brad Katsuyama hold his own, as only a man of integrity can, in the face of such a public attack was inspiring. I was so inspired afterward that I read Michael Lewis' book "Flash Boys" in one sitting and requested an interview with Mr. Katsuyama to learn more about him and IEX.

What strikes me the most is that Mr. Katsuyama could easily have done any number of things with the information he and his team discovered. Surely, all of them could have taken a more profitable and less difficult road than the journey that IEX has chosen to take on behalf of all investors.

I am proud to be an American and live in a country that embraces capitalism. I believe capitalism, when practiced consciously and ethically, can be a sacred and powerful paradigm. I believe in conscious ethical capitalism so much that I've spent the last four years of my life searching for such capitalists working in finance during these trying times.

Isn't this idea of capitalism with ethics and integrity what we strive for in our country? Isn't what Katsuyama, his team, and IEX's mission what capitalism is all about? Isn't IEX satisfying an unmet market need and exceeding customer's expectations? I strongly believe so!

***"The result of this information flow is a far more active, efficient, and transparent capital market that facilitates the capital formation so important to our nation's economy. To ensure that this objective is always being met, the SEC continually works with all major market participants, including especially the investors in our securities markets, to listen to their concerns and to learn from their experience."***

If this above quote from your SEC website is true, please listen to the many investor comments on your site. Approving Investors Exchange will actually assist you in doing this work of enforcing transparency with all major market participants. As IEX's website states: ***"IEX is a fair, simple and transparent market center dedicated to investor protection. The first buy-side owned venue. IEX was the first Alternative Trading System to publically publish its Form ATS, demonstrating its commitment to transparency. It does NOT have proprietary trading or affiliated entities engaged in proprietary trading."***

Perhaps approving IEX as an exchange might begin a new trend in which the SEC would require this level of transparency in ALL the current public exchanges. I can't imagine why this is not currently required, given recent industry scrutiny. Asking the existing exchanges to behave with the same level of integrity as IEX should be the aspirational standard.

Wouldn't such transparency actually make the overall market work better and more fairly for all investors? And, as a result, wouldn't it allow the SEC to focus on more strategic initiatives?

On behalf of all investors I implore you to approve IEX's request to become an exchange.

The IEX mission is in complete alignment with and furthering the SEC's goals of transparency and fairness for all investors. Thank you for considering my request.

Warmly,

Kim Ann Curtin  
The Wall Street Coach  
Founder & CEO