

April 15, 2014

Ms. Mary Jo White  
Chair  
Securities Exchange Commission  
100 F St NE  
Washington DC 20549

Dear Ms. White,

I am a retired money manager, having worked as a broker at Kidder, Peabody for several years before joining an institutional client as a portfolio manager in 1970. I started my own firm in 1976, and worked there until retiring in 1997. We were an active, performance oriented equity manager, and ran relatively concentrated portfolios, so it was quite common for us to be buying or selling large blocks of stock, with values sometimes approaching a half a billion dollars. So I am familiar with the process of executing fairly large stock orders under all kinds of market conditions.

Not too many years ago I noticed that the market was behaving peculiarly, so out of curiosity I began asking around to find out what was going on. It was then that I heard the term high frequency trading. Before long I found that it was accounting for over half of the trading volume in the market. Inferentially I knew that there must be profits in this activity, so I set about trying to find out the who and how of it. Soon I realized that it basically was front running, done in great secrecy. Unlike other investment firms (if this can be called investing) it seemed impossible to find out how profitable it was. Finally I was told that these operators typically were making 100-200% per annum, with almost never a loss day!

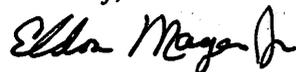
I tried to figure out how such returns are possible by scalping pennies, and concluded that this might be possible by using considerable leverage.

We have here an activity that makes it more expensive for other investors to buy or sell stocks, with the difference going into the pockets of the high frequency traders who are front running a high percentage of all transactions.

I am not a lawyer but cannot believe that this activity is legal. It is taking money out of the pockets of just about all investors by taking unfair advantage. What it amounts to is if you have or can put your hands on the considerable amount of money required to invest in the necessary technology and pay bright programmers, and if you have well-honed greed glands and a willingness to essentially steal money from others, our regulators have allowed you to set up shop with no questions asked.

I am glad to see the SEC going aggressively after insider trading but that is small potatoes compared to what the high frequency traders are doing. This activity should be stopped immediately. I hope to read soon that you are closing it down.

Sincerely,



Eldon C. Mayer, Jr.