

April 25, 2016

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Investors' Exchange LLC Form 1 Application (Release No. 34-75925; File No. 10-222) and Notice of Proposed Commission Interpretation Regarding Automated Quotations Under Regulation NMS (Release No. 77407; File No. S7-03-16)

Dear Mr. Fields:

AK Financial Engineering Consultants LLC ("AK FEC") appreciates the opportunity to submit a second comment letter on the proposed Investors' Exchange LLC ("IEX") exchange application, and a first about 1 ms as a de Minimis time interval.

AK FEC is a consultancy catering to the electronic trading community and would like to share its thoughts with the Commission.

Perhaps a decade ago, 1 millisecond may have been considered de Minimis, but as Elizabeth King has pointed out, even the Commission's own studies have shown that in today's market, 1 millisecond is no longer de Minimis. The Bombay Stock Exchange processes a transaction in 6 microseconds. That's 167 transactions in a millisecond. And at this rate, but the time the ink dries on any new regulation, with computers getting faster and faster, and with the onset of quantum computing, the de Minimis time interval may have to be a nanosecond or a picosecond.

By declaring 1 millisecond as de Minimis, the opportunity for latency arbitrage, rather than shrinking, increases. Just like manual intervention once allowed for front running electronic orders, so does a 1 millisecond time interval today, allow for algorithms (designed by humans or by machine learning) to destroy Regulation NMS.

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As I'm not a lawyer, I won't be quoting 15 USC or 17 CFR, but I do recommend a book I once read in (Stanford Law) Paul Brest's "Computers and the Law" class, "The Sachertorte Algorithm," by John Shore. It might be old and outdated, but the concepts still hold.

As for the buzzword of "innovation," it behooves us to remember what the late Andy Grove (of Intel) said: "In my view, the word innovation has become overused, clichéd, and meaningless. I detest the mechanism that spits [such fads] up because they are so much easier to talk about than to do."

IEX holding up orders for 350 - 700 microseconds, with today's computers, is no different from what American Stock Exchange specialists trading the SPY ETF used to do in the 1990s, where after a long delay on getting a deserved execution, the best way to remove the specialists' free option was to cancel the order, get a Too Late To Cancel, and finally get the deserved execution.

In the words of Ecclesiastes (1:9): "That which hath been is that which shall be, and that which hath been done is that which shall be done; and there is nothing new under the sun."

Please do not hesitate to contact me if you have any questions or would like to discuss this letter.

Sincerely,

/s/ Abraham Kohen

Abraham (Abe) Kohen
AK Financial Engineering Consultants, LLC
President