

I would like to petition that the SEC approve the licensing of the IEX. As an investor myself, I want there to be an exchange that is fair and transparent. Sadly, with the state of the exchanges available today, fairness and transparency are not something I can access. High-frequency traders plague the current exchanges. HFT are stealing money from investors, just because they have more money and connections than the average investor. That does not sound like a fair marketplace to me. The worst part is, they can do it legally. I do not believe we will be able to pass legislation and/or rules against HFT. I personally do not want to pass legislation anyways, as it only leads to the HFT getting smarter and, often times, breeding more ways for these people to game the markets. If the SEC approves IEX, they will be setting a precedent that the markets can be fair again. The SEC will be sending a message that they cannot be bought by the big Wall Street Banks, that the SEC is fair and just. It will tell the rest of the exchanges and investors that the SEC wants the markets to be fair.

It is important that there be an exchange that is fair and provides a protected quotation. If there is a market that investors can trade on without worry of being ripped off by the HFT, or other intermediaries, they will be more willing to invest. Market conditions will improve as people will go back to actually investing to make a difference, instead of worrying about flash crashes and other market crises created by HFT, corrupt exchanges and intermediaries. The SEC needs to approve a market that is fair and protected. They need to approve IEX because the markets desperately need to be fair again. Considering it is the job of the SEC to regulate the markets, approving an exchange that focuses on being transparent and fair will be a breath of fresh air to the SEC. It will set a precedent that other exchanges need to be fair as most investors will move to the safety from predators of IEX. Because of that, other exchanges will have to change or risk going out of business.

The IEX will eliminate techniques used by HFT to game the markets such as "latency-arbitrage," by implementing their 350ms latency system. This will stop the HFT from scalping based on speed, which is their biggest tactic. With other exchanges, HFT are allowed to buy their way closer to the matching engines of the exchanges so as to gain an unfair advantage over the typical investor. They are also able to buy faster connections not available to others. With IEX, this is not possible. IEX also circumvents the issue of having a vested interest in the exchange while trading on that exchange. IEX does not allow any shareholders to trade on IEX. This is just another way that IEX is working to make things fair and transparent. The SEC, in my opinion, needs to approve IEX. Those against the approval are only working to further scam investors and, ultimately, undermine the SEC. Who is going against the IEX? Only those who have a vested interest in keeping the exchanges unfair.

Please, approve IEX.

Sincerely,

David McCarty