

February 22, 2016

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

Subject: Investors' Exchange LLC Exchange Application (File No: 10-222)

Dear Mr. Fields,

I am submitting this comment as an Electrical Engineer and Retail Investor who is stating the obvious.

1. An exchange should be permitted to have an advantage, if necessary and appropriate, to protect long term investors over short term traders, and an Exchange should not be required to make any changes to its operating model that the SEC should be capable of realizing would harm investors.
2. The SEC created Reg NMS, and as technology has evolved over the past decade, electronic front running is rampant and undeniable. It has gotten to a point where the industry argument against IEX has gone from "front running does not exist" to "IEX shouldn't have an advantage to stop it."
3. The order routing conflicts that are evident in broker SEC Rule 606 reports is evidence that solutions to front running are not being developed by the brokerage community. It is therefore necessary and appropriate for IEX to be able to provide routing solutions that compensate for the fragmentation that has been created as a result of Regulation NMS and to stimulate increased competition over the protection of investors.
4. The existing exchanges, a few high frequency traders, and their lobbyists, are requesting the SEC to make subjective interpretations of the Exchange Act and Regulation NMS that preserve their own commercial interests and to force IEX to modify its application. The SEC's mission is to protect investors, and that includes an obligation to protect long-term investors over short term traders. Forcing IEX to modify its Exchange application, including its Router, in a way that could harm investors, would directly contradict the mission of the SEC.

Those SEC personnel that have been involved in the prior decade of SRO approvals that have resulted in the conflicted current state of the US equity markets should be mindful that the Commission now has an opportunity to consider new technologies that satisfy the investor protection principles of the Act. The staff of the SEC should not let personal pride or ego get in the way and should not let the threat of litigation over subjective legal interpretations stop them from acting in the best interest of investors.

The mistakes of the past should not withhold future progress that satisfies the fundamental investor protection purpose of the Commission.

This is an opportunity to stand for investors.

1. It is a well documented point-of-fact that latency arbitrage allows an elite class of super wealth traders to capture riskless profits. These riskless profits are taken directly out of the pockets of long-term investors giving which most would agree is the definition of a "Rigged Stock Market."
2. We are at a crossroads in the evolution of the "Captured Regulator". History clearly showed the regulators failed to prevent the 2008 financial crisis, and now we will see if the Regulators become of active accomplices in the a Rigged Stock Market. We will soon to find out if the SEC will mandate that the ONLY exchange system configurations it will allow, are system configurations that hurt customers, hurt the vast majority of retail traders and enable predatory HFT. The investment community eagerly awaits the SEC's ruling in this matter to see if the SEC has the audacity to create a regulatory mandate that all exchanges must be configured in a manner that systematically disadvantages the retail investor. This is truly an excited time for every one of the thousands of people and media outlets watching this decision.

I am proud to submit this comment to the SEC in support for IEX's application to become an exchange. It is consistent with everything the SEC's mission statement is about.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul Nouri".

Cc:

The Honorable Mary Jo White, Chair

The Honorable Luis A. Aguilar, Commissioner

The Honorable Daniel M. Gallagher, Commissioner

The Honorable Michael S. Piwowar, Commissioner

The Honorable Kara M. Stein, Commissioner