March 28, 2016

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

Re: IEX LLC – Notice of Filing as a National Securities Exchange

Mr. Fields:

As a retail trader, I would like to add a comment in support for IEX becoming a national exchange. IEX has identified a problem in the equities market that makes me uneasy about how orders are filled, and at what price. The problem is latency arbitrage, and its primary abuser is the predator HFT firm. Speed is its main advantage, and they are able to use it to get in the middle of buyers and sellers to exploit a very small price difference to their benefit, with almost no risk. As you can imagine, this is upsetting, and it's not fair. Why is this activity allowed to continue? Better fills, prices, and cleaner liquidity can be had without them. This "latency arbitrage" is a trouble spot in the market, and needs to be fixed. The IEX model provides the solution.

IEX's solution to latency arbitrage is the introduction of 350 microseconds to their exchange. This ensures that 100% of the liquidity provided on the IEX exchange cannot be arbitraged by any HFT predator, or anyone else for that matter. All liquidity providers on the IEX platform can compete in a safe environment, and provide clean liquidity to the rest of the market. This is a benefit to everyone. What about incoming, and routed out orders? Can they be arbitraged by any market maker inside or outside the exchange? As outlined in the Trading Practices of the IEX proposal, my understanding is that no orders are subjected to arbitrage, and all orders hitting the exchange receive a fair price.

At least one opponent compares the 350ms speed bump to the "last look" feature that banks use in the currency markets; the comparison is not a very good one, and the argument has no merit. The only common trait they share is that both eliminate latency arbitrage on the operating platform. On the IEX platform, market makers are required to fill an order immediately upon arrival, and cannot back out of a trade, whereas the "last look" places an order into a pending status for whole seconds until the bank decides to reject or fill the order depending on whether the market moves in favor or against the bank. Under the "last look" model, orders get arbitraged, or rejected, while under the IEX model, orders are not subjected to arbitrage, do not get rejected, and receive a fair price, all in 350ms.

Another opponent claims that investors will receive stale or misleading quote information due to the 350ms speed bump. The claim also calls attention to what is considered "immediate". Given all the current checks and balances an order goes through before execution, which takes time, the 350ms is an added layer of risk management that protects the integrity of the market. The benefits to the market far outweigh the costs (if any) that may be associated with the 350ms speed bump. 350ms is "immediate" enough, and more than reasonable to ensure everyone gets a fair price.

The IEX model eliminates latency arbitrage, protects the integrity of our markets, and brings a safe environment to everyone. Whether 350ms is the magic number or not remains to be seen, but considering how much IEX has grown, and the abundance of supporters, I think the decision to approve the IEX application is not a difficult one.

Best regards,

Ed Trirogoff