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Re: 24X National Exchange, File No. 10-242

To the offices of the SEC:

File No. 10-242 considers 24X National Exchange LLC's application for registration as a National Securities Exchange. 24X Exchange will offer significantly expanded trading hours and trading days. Our research indicates that increasing trading hours has negative consequences for retail investment performance. Consistent with prior academic literature that retail investors tend to make under-informed trading decisions, we find that plausibly exogenous increases in trading hours are associated with meaningful decreases in retail investors net gains. Our findings specifically pertain to the first hour of morning trading, when volatility and spreads are at daily highs. Limiting morning trading appears to curb active retail trading, leading to improvements in portfolio performance. A copy of our paper ("Market Access and Retail Investment Performance") is available on SSRN at the following URL:  
[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4486721](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4486721)

Retail brokerages uniformly warn their clientele about the increased risks of trading during pre- and post-market hours. In these sessions, liquidity is low, volatility is high, spreads are wider, and prices are arguably less informationally efficient. Our research indicates that retail investors systematically underperform during these types of conditions. While attracting more volume to these sessions is presumably the intention of 24X Exchange, the majority of trading activity will likely remain in the daily market session, meaning these issues will remain salient for out-of-hours retail traders.

While some argue that it is not the role of the regulator to protect individual traders from their own trading behavior, there is regulatory precedent for actively discouraging (or prohibiting) investors from engaging in behaviors and investments with increased risk. For example, FINRA's Pattern Day Trader restrictions prevent less capitalized individuals from frequent day trading, stating the activity "is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance." Additionally, the SEC's Regulation D limits unregistered offerings to accredited investors who are "financially sophisticated and able to fend for themselves or sustain the risk of loss, thus rendering less necessary the protections that come from a registered offering." As less capitalized retail investors are likely to be 24X Exchange's primary clientele, the question of investor's financial wellbeing should be considered along with the application.

We suggest a cautious approach to expanding trading hours.

Best Regards,  
Andrew Glover  
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\* These comments reflect our own opinions and not necessarily those of our respective institutions.