

From: Tim Quast [REDACTED] >
Date: May 2, 2018 at 10:18:53 AM EDT
To: "[REDACTED]" <[REDACTED]>
Subject: RE: Introductions

Mr. Redfearn, I've just read Themis Trading's comment letter on the Fee Pilot proposal and we'll be commenting in support too.

It's VITAL that issuers have a voice in this study. Exchanges have a fiduciary duty under the Securities Act to avoid discriminating against any constituency, including issuers, by name. If a study is crafted without input or choice for issuers – who are beholden to shareholders – it would be an inexcusable travesty.

How to include them? You need to convene a summit for issuers and perhaps a series of webcasts aimed at Reg NMS stocks to explain the purpose of the test. You should form an Issuer Advisory Committee that can weigh data and let companies opt into or out of a test. Realize that success measures for issuers differ from those for intermediaries. For issuers, what matters is a vibrant secondary market where there is attractive opportunity for writing research and supporting it, and where prices can be set by investors instead of speculators.

We have outstanding data on the construction of the market. Very little of today's volume is fundamental anymore -- less than 20%. That means 80% is something else ranging from passive investment to speculation, and speculation is far and way the largest segment.

Best, -TQ

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