

ETHAN ALLEN
ETHAN ALLEN INTERIORS, INC.

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GENERAL COUNSEL AND SECRETARY**

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June 22, 2018

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Re: Transaction Fee Pilot for NMS Stocks, Securities Exchange Act
Release No. 82873 (March 14, 2018), 83 FR 13008 (March 26, 2018)
(File No. S7-05-18)

Dear Mr. Fields:

We are writing to express our concerns with The Securities and Exchange Commission (the "Commission") recently proposed Transaction Fee Pilot program (the "Pilot Program") with the stated intention to study the effects that transaction-based fees and rebates and, changes thereto, may have on order routing behavior, execution quality, and market quality. In light of these concerns, as discussed in detail below, Ethan Allen Interiors Inc. ("Ethan Allen") (ETH:NYSE) respectfully requests that it be excluded from the Pilot Program test groups.

As proposed, the Pilot Program engenders the potential for bid-ask spreads to widen for those stocks included in the program's test groups. Such wider spreads would result in increased transaction costs for those issuers should they engage in secondary offerings or conduct share repurchase programs.

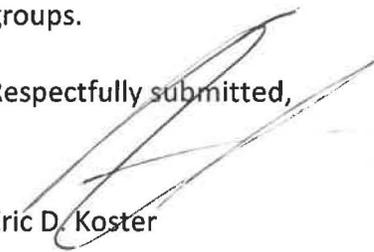
Additionally, the wider spreads would disadvantage those stocks in the test groups, as opposed to the unaffected control group, rendering them less appealing as investments due to higher transaction costs for the investor. Such an impairment, should Ethan Allen be selected for a test group, could result in significant consequences if its competitors are instead assigned to the control group.

These negative effects on stocks subject to the pricing restrictions proposed by the Pilot Program would certainly skew the competitive dynamic between issuers and impact the ability of the affected issuers to raise capital. That the duration of the Pilot Program would be two years only exacerbates the negative impact upon the affected issuers.

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It is for these reasons that Ethan Allen urges the Commission not to adopt the proposed Pilot Program. Alternatively, should the Commission move forward with the Pilot Program, Ethan Allen respectfully requests that it be excluded from the proposed test groups.

Respectfully submitted,



Eric D. Koster

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cc: Internal Distribution