



July 3, 2018

**Via e-mail (rule-comments@sec.gov)**

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

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

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Dear Mr. Fields:

Natural Grocers by Vitamin Cottage, Inc. (“Natural Grocers”) (NYSE: NGVC) is pleased to have the opportunity to express its concerns regarding the Securities and Exchange Commission’s (the “Commission”) proposed “Transaction Fee Pilot” program (the “Pilot Program”), and to request that Natural Grocers be excluded from the Pilot Program’s pilot test groups.

Natural Grocers has carefully reviewed the proposed rule relating to the Pilot Program as well as the comment letter dated May 31, 2018 submitted by Elizabeth K. King, General Counsel and Corporate Secretary of NYSE Group, Inc. Natural Grocers agrees strongly with the following concerns raised in the NYSE’s comment letter:

1. The potential for bid-ask spreads to widen under the Pilot Program, resulting in higher costs for issuers conducting a share repurchase program;
2. The potential under the Pilot Program for wider spreads to disadvantage one security versus another due to differing investor transaction costs;
3. The potential for the Pilot Program to unfairly place transaction-pricing restrictions on national securities exchanges while allowing other market participants to compete free of any such restrictions; and
4. The concern that the Pilot Program, which is currently designed to include only national securities exchanges, would not provide the Commission with usable data to inform the Commission’s policymaking on the trading impact of transaction-based fees and rebates.

Vitamin Cottage Natural Food Markets, Inc.

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For the above-described reasons, Natural Grocers urges the Commission not to adopt the Pilot Program. Should the Commission decide to continue with the Pilot Program, Natural Grocers respectfully requests that it be excluded from the Pilot Program's pilot test groups and that it be included in the control group.

Very truly yours,



John S. Fischer  
General Counsel

Cc: Honorable Jay Clayton, Chairman  
Honorable Michael S. Piwowar, Commissioner  
Honorable Kara M. Stein, Commissioner  
Honorable Robert J. Jackson, Jr., Commissioner  
Honorable Hester M. Peirce, Commissioner  
Mr. Brett Redfearn, Director, Division of Trading and Markets