

December 2, 2017

Mr. Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

RE: Release No. 34-78309; File No. S7-14-16; Disclosures of Order Handling Information

Dear Mr. Fields:

I want to start by thanking you for the opportunity to comment on the Security and Exchange Commission's proposed rule, "Disclosures of Order Handling Information." This proposal, which in part aims to amend rules 605 and 606 of the Regulation National Market System (NMS), would require broker-dealers to publicly release order execution and order routing reports in a way that is accessible to investors. These changes would enable customers to better understand and evaluate broker-dealers' routing practices, ultimately increasing market transparency. I am a finance student at the University of Notre Dame and I am currently enrolled in Professor Robert Battalio's Trading and Markets Class. This comment is of my own opinion and may not accurately reflect the attitudes of others at Notre Dame.

Under rule 605, broker-dealers are required to disclose order routing strategies so that investors can compare broker-dealers, however, this requirement leaves out crucial details regarding execution quality. Without understanding execution quality, it is very difficult in practice for investors to actually compare dealers because different broker-dealers may have completely different strategies. On the other hand, rule 605 does require market makers to release information about execution quality, but these reports are extremely extensive and complicated. The SEC should consider these factors when making amendments so that the perspective of the average investor is taken into account. The proposed rule would be most effective if broker-dealers were required to classify order routing strategies using objective criteria, similar to that which is required of market makers. This could be as simple as disclosing the types of orders that broker-dealers execute, which would in turn enable investors to examine which trades are executed successfully. Doing so would give more power to investors because they would be better equipped to compare and choose broker-dealers.

Furthermore, broker-dealers should also be required to disclose additional metrics that market makers are currently required to disclose. Metrics such as order size, execution speed, and pricing would all benefit the investor because they would be much more informed about the execution quality of different brokers. By taking into account these suggestions, the SEC will create a much more transparent and fair market for investors.

Sincerely,

Joe Krause  
University of Notre Dame, Class of 2018