

To Whom It May Concern:

I am currently a senior finance major in the Mendoza College of Business at the University of Notre Dame. As one of my finance electives, I am enrolled in Professor Robert Battalio's Trading and Markets course. Through this course, we have established a better understanding for different types of orders, exchanges, and the regulations that maintain our markets. As part of our course, Professor Battalio recommended that we should look over various rules and submit a comment letter on something we found particularly interesting. I would like to share my thoughts on Rule 606 regarding the disclosure of order routing information.

Rule 606 aims to help keep our markets as transparent as possible by requiring brokers and dealers to report its routing of non-directed orders in NMS securities every quarter. By providing useful information to customers placing retail orders in the markets, customers are better able to understand what exactly happens when they place large orders with a broker or dealer. The premise of the rule is strong in that its goal is to make sure market participants know how their orders are executed, but I believe there are a few areas that could be improved upon to help Rule 606.

One main area I believe could be improved is shortening the required disclosure time to less than three months. It seems too large a time period for a customer to gain any useful knowledge when all of their trades are being aggregated over the course of a quarter. Customers would benefit from a breakdown that allows them to assess a specific trade or sequence of trade. By shortening the requirement from three months to one month, I believe customers would better understand what is happening with their trades.

Another area I believe could be improved is in the specific breakdown of orders in these reports. Currently, the reports are broken down into market, limit, and other orders. While it is beneficial for customers to see these orders separated, I believe a further breakdown of limit orders is necessary. The reports currently do not specify if limit orders are marketable or if they are not. As marketable orders are often closer to the market, price statistics are more useful for marketable orders. A further breakdown would be very beneficial for customers looking to gain a better understanding on how their orders are being executed.

I sincerely thank you for taking the time to hear my thoughts.

Sincerely,
Paul LoVullo
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