

March 26, 2023

By Email

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
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Washington, D.C. 205499-1090
rule-comments@sec.gov

RE: File No. S7-29-22; Release No. 34-96493- Disclosure of Order Execution Information

Ms. Countryman:

As a household Investor I appreciate the opportunity to comment on this proposal.

The proposed Regulation Best Execution is a necessary step in protecting household investors and promoting fair and efficient markets by ensuring that household investors are receiving the best possible execution for their trades. Without the best execution rule, customers may not be aware of revenue arrangements between brokers and subpar trading firms or that they may be paying higher transaction prices. Different trading venues may offer different prices and slower execution can lead to missed opportunities. Information leaks can inhibit a successful transaction, and less reliable settlement processes can delay receipt of proceeds.

Brokers owe their customers a duty of Best Execution derived from common law agency principles and fiduciary obligations, but it needs to become a rule that the SEC can enforce. In addition the SEC needs to bring forth greater fines and punishments for firms and brokers that repeatedly break these rules.

The proposed rule would provide a more detailed and comprehensive standard for broker-dealers to follow, resulting in consistently robust best execution practices.

Sincerely,

Adam Sise, MD

In December 2020, Robinhood was charged by the SEC with failure to satisfy its best execution obligation, resulting in an aggregate loss of \$34.1 million for its customers.

Robinhood made misleading statements and did not disclose payments received for routing trades to specific firms.

Citadel paid the SEC \$22.6 million in 2017 to settle best execution charges for executing customer trades at less favourable pricing when a better price was available.

Brokers recommending mutual funds with 12b-1 fees and revenue sharing arrangements with clearing brokers have also faced best execution charges from the SEC.

Quarterly reviews of execution quality would provide transparency and accountability for the broker-dealers' practices.

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