I am writing as an individual household investor as well as a tax-paying citizen of the United States, specifically Ohio. I support in full S7-31-22 and hope to see it passed and implemented as soon as possible. I highly encourage not only within this rule but in *all* rules that are proposed or currently enacted to be enforced to the maximum extent of the law. Fines and penalties need to serve as actual deterrents instead of cost of doing business. The broker-dealers should be threatened with loss of license or significant time periods of banning from U.S. markets if violations against these rules occur instead of receiving penalties amounting to a few million dollars when their overhead is instead measured in billions. If, instead of miniscule financial penalties, their entire business were cut off then there would be much stricter adherence.

Specifically within this rule I believe it is going for a simplicity within the market, which inherently will lead to more fair markets. When a broker routes to a wholesaler who sends to auction who then sends back to a wholesaler, a significant information advantage is gained over other market participants. This slants a competitive advantage to those on the inside track and corrodes the credibility as well as the openness of our markets. The current rule forces dark pools (Alternative Trading Systems) to provide quotes and trades to consolidated market data IF they wish to operate as an auction. I fully support and appreciate rule changes like this that bring more transparency to dark markets. The investing public should have easy access to what is happening within the markets. 15 U.S.C. 78k-1 (“section 11A”) states that "It is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure ... fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets." For too long the Commission has not be enduring fair competition, especially within the off-exchange systems that currently dominate. It's good to see they are beginning to take their mandate more seriously.

I would gladly pay more per share to avoid being routed through a wholesaler that has been charged over 70 times by the United States government (https://files.brokercheck.finra.org/firm/firm_116797.pdf).

I would gladly pay commission to avoid being routed through a wholesaler, especially one with a long record of flouting the law like Citadel Securities.

The parties involved have very clear conflicts of interest. Citadel is a large source of funding for many broker-dealers and is, for example, the NYSE's biggest customer. Wholesalers exercise extreme influence on other market participants and I am concerned that influence will infect the ability of some participants to objectively review these rules.

Research heavily suggests that internalization is bad for markets
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4070056

The data clearly demonstrate that wholesalers are taking billions from individuals and institutions and calling it "superior performance". They might massage their numbers to protect their profits, but we know better. If they weren't around to take their cut, the savings will go to citizens and pensions instead of into Wall Steet's overstuffed pockets.

It is clear to me how removing the profiteering middlemen from the market will improve prices for both individuals and institutions (e.g. pension funds). Recent research by Hittal Mittesh suggests that on top of the Commission's estimate that the auctions would save individuals from billions of dollars taken by wholesalers, it would also

save institutions over $1.5 billion each year. Wholesalers are taking from citizens AND people's pensions - that needs to stop.
Citation:
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