Hello,

This is the second of four comments I will be submitting to the SEC on their latest batch of Q4 proposed rule changes. Thank you for taking the time to read this letter. It is always appreciated.

Internalizing orders on the stock market seems like a good idea from an efficiency standpoint, however my biggest fear with stock brokers and market makers internalizing their orders is that from a standpoint of auditing and transparency, a broker/market maker has little incentive to make their internalized trading activity accessible to the public in any transparent way. This practice of internalizing trades could also lead to FTD's running rampant as an investment strategy and stock brokers hypothetically never even purchasing the shares that you as a retail investor requested that they buy for you. From my perspective as a layman when it comes to market structures and how price discovery operates, if you buy a stock then that stock should increase in price because the demand (my purchase of that stock) is increasing buying pressure. Regardless of the fact that my one purchase of a stock wont make any macro changes to price discovery it still should increase the price due to demand. If I make that purchase through a broker that internalizes their trades I am essentially robbed of that price discovery if they never buy the x amount of stock I requested. The same can be said of a large group of individuals buying one stock through a broker. If that broker doesn't purchase the shares in the first place due to internalization of the trades, that group is robbed of true price discovery and the demand for that stock isn't represented in the price of that stock.

Competition is how democracy thrives. Within ecosystems that have a singular dominant, often invasive organism that consumes all other complex life forms, that organism will survive until it completely exhausts all of its resources. Then there is simply nothing left. Single celled organisms remain, and the ecosystem has to start from scratch again. The absolute lack of competition for that organism will lead to the demise of any complex life including itself given enough time. A healthy ecosystem has competition. A singular marketmaker facilitating a majority of the trades in the U.S. will exhaust all of the country's resources consolidating wealth in the name of efficiency and the free market until there's nothing left and we have to start from scratch again. The stock market will be nothing more than a tool for wealth generation, that a select few have access to rather than all of the constituents the SEC serves. If competition is squashed in the name of efficiency , we all lose.

The thoughts touched on above are part of why I am in support of this proposed rule change. Once again I agree with Dave Lauer and We The Investors and feel this doesn't go far enough. Simple systems are harder to tamper with than complex ones. Excessive complexity is how the culture of fraud and deception on Wall Street has been able to persist for so long. However, this is in my mind invariably a step in the right direction, and would like to voice my support for this rule change with the understanding that this along with the other rule changes need to serve as a foundation for continued market structure reform, and trimming down on the complexity that makes it unnecessarily hard to understand the stock market and American financial institutions.

Thank you for reading, and please take a break every now and then. I'm sure brute force reading through thousands of comment letters is exhausting. Be sure to take care of yourself whoever is on the other side of this paper.

Patrick Hammond,
Household Investor.