

March 30, 2023

By Email

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

Re: Rule Proposal No. 34-96495; File No. S7-31-22 Order Competition Rule

Ms. Countryman:

I am writing to express my strong support for the proposed rule change by the Securities and Exchange Commission (SEC) to enhance competition for the execution of marketable orders of individual investors. This rule would require certain orders of individual investors to be exposed to competition in fair and open auctions before they could be executed internally by any trading center that restricts order-by-order competition.

The proposed rule change is focused on “segmented orders,” which would be orders for stocks listed on U.S. securities exchanges (NMS stocks) made for an account of a natural person or an account held in legal form on behalf of a natural person or group of related family members, in which the average daily number of trades executed in NMS stocks was less than 40 in each of the six preceding calendar months. The proposed rule change would provide exceptions for segmented orders received and executed when no qualified auction was being operated for such orders, segmented orders with market values of at least \$200,000, segmented orders executed at prices that are equal to or more favorable for the orders than the midpoint of the national best bid and offer (NBBO) when the orders were received, segmented orders with customer-selected limit prices that are equal to or more favorable for the orders than the midpoint of the NBBO when the orders were received, and the fractional share portion of a segmented order received and executed when no qualified auction was being operated for such order that would accept the fractional share portion.

I believe that this proposed rule change would be a positive development for individual investors, as it would increase competition for the execution of their orders and help ensure that they receive fair prices for their trades. It is important to have a fair and open auction process for orders that are subject to internalization, as this will promote transparency, accountability, and fair pricing.

In conclusion, I urge the SEC to adopt this proposed rule change, which would enhance competition for the execution of marketable orders of individual investors and ensure that they receive fair prices for their trades.

Sincerely,
Jeremy B. Beddo