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April 3, 2023

By Electronic Submission

Ms. Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re:

File No. S7-29-22; Release No. 34-96493; Amendments to Regulation NMS Rule 605; Disclosure of Order Execution Information ("Rule 605 Proposal")

File No. S7-30-22; Release No. 34-96494; Amendments to Regulation NMS Rule 612: Minimum Pricing Increments, Access Fees and Transparency of Better Priced Orders ("Reg NMS Proposal")

File No. S7-31-22; Release No. 34-96495; New Regulation NMS Rule 615, Order Competition Rule ("Auctions Proposal")

Dear Ms. Countryman:

The Security Traders Association[1] ("STA") appreciates the opportunity to provide comments on the above referenced amendments to Regulation NMS[2] ("Reg NMS") and new rules ("Proposals") proposed by the U.S. Securities and Exchange Commission ("Commission") on December 14, 2022. STA was founded in 1934 and is an organization comprised of individuals who are involved in the trading of financial securities in the U.S. and Canada. Our membership is diverse, both geographically and in the roles fulfilled in the marketplace. Our comment letters on market structure are informed by a culmination of input received from a wide range of market participants and through the consequences, both intended and unintended, experienced from past changes to market structure.

The individual proposals are highly interconnected and, in aggregate, represent a wholesale change to equity market structure at or greater than the changes made through Reg NMS which was adopted by the Commission in June 2005. Given the dramatic changes in market structure under the Reg NMS regime and technological advancements in the past two decades, we appreciate the Commission's actions in

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[1] STA is a trade organization founded in 1934 for individual professionals in the securities industry. STA is comprised of 24 affiliate organizations in North America with individual members who are engaged in the buying, selling and trading of securities. STA is committed to promoting goodwill and fostering high standards of integrity in accord with the Association's founding principle, Dictum Meum Pactum – "My Word is My Bond." For more information, visit https://securitytraders.org/.

[2] Release No. 34-51808; File No. S7-10-04 Final rules and amendments to joint industry plans. Regulation NMS https://www.sec.gov/rules/final/34-51808.pdf

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reviewing the current state and in promulgating the Proposals. Like Reg NMS, the Proposals seek to modernize the rules that govern U.S. markets to make them more efficient, competitive, and fair. STA supports these goals; however, we have major concerns with several components within the Proposals and the process under which the Commission drafted them.

General Statements

By every metric the U.S. equity markets are functioning in a highly efficient manner and remain the most liquid in the world, including through the latest challenges in the banking sector.[3] Through decades of legislative actions and prudent data-driven rulemaking the current system is highly competitive and exhibits a consistent trend of enhancing the investor experience. It remains our view that fostering competition best provides for technological advancements critical to creating operational resiliency while also offering investors with a wide range of choices among service providers and investment products at low cost.

While the U.S. equity markets are highly efficient, there are areas which require improvements in order to better serve investors. These areas are covered in the Rule 605 Proposal which seeks to update the requirements to disclose order execution information under Rule 605, and the Reg NMS Proposal which amends Rule 612 and seeks to better enable investors to see, and more readily access, better-priced quotations by lowering minimum pricing increments, reducing access fees, and redefining the round lot definition to allow for the display of orders of lesser size. These areas of improvement have received considerable industry input and engagement with the Commission in prior years.[4] Therefore, some of the components within these proposals are informed by the opinions of a wide cross section of participants and reflect certain consensus views. However, there are details within the Rule 605 Proposal and Reg NMS Proposal which need revisions if they are to achieve their intended goals.

The Auctions Proposal introduces a new concept of order-by-order competition for orders from a certain category of retail investor and a new mechanism – a fair access auction – required to be used in the execution process of these orders. There is no anecdotal and empirical data on this new concept and mechanism, both of which would be highly disruptive to the manner under which these orders are processed today.

Creating a National Market System

In 1975, the Congress mandated that the Commission facilitate the development of a National Market System ("NMS").[5] It helped to assure that securities markets in the U.S. remain the most efficient and

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[3] March 12, 2023 Joint Statement by Treasury, Federal Reserve, and FDIC
https://www.federalreserve.gov/newsevents/pressreleases/monetary20230312b.htm.

[4] U.S. Securities and Exchange Commission; Equity Market Structure Advisory Committee Archives
https://www.sec.gov/spotlight/emsac/emsac-archives.htm.
U.S. Securities and Exchange Commission Roundtable on Market Data and Market Access
https://www.sec.gov/agendas/agenda-roundtable-market-data-market-access.

[5] In its findings in Section 11A of the Securities Exchange Act, Congress concluded that it was in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets that such a national market system achieve five objectives:

1. economically efficient execution of securities transactions;
2. fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets;

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liquid in the world. It was expected that the NMS would foster competition thus ensuring best execution of customer orders and resiliency in the operational performance of our markets.

Since 1975, the Commission has promulgated rules to fulfill its regulatory responsibilities to facilitate the establishment of, and make improvements to, an NMS. For example, on June 9, 2005, the Commission adopted Reg NMS in response to investor protection issues associated with market fragmentation and non-uniform trading rules across exchanges. Reg NMS was one proposal which consisted of four (4) interconnected rules (Order Protection Rule, Access Rule, Sub-Penny Rule, and Market Data Rules) that resulted in a wholesale change to equity market structure.

Reg NMS was the culmination of five (5) years of study and industry engagement by the Commission. Prior to formulating the initial Reg NMS Proposal in February 2004, the Commission had issued three concept releases,[6] held public hearings and roundtables, organized an advisory committee, and maintained constant dialogue with industry participants and investors.

STA supported the goals of Reg NMS and while we disagreed with several of its key components, we believed that the Commission's process was thorough and transparent. As such, STA agreed with the Commission statement in the June 2005 adopting release, "…for the last five years, the Commission has undertaken a broad and systematic review to determine how best to keep the NMS up-to-date."[7]

Recommendations

1. **Extend Comment Period**

The Proposals were published on December 14, 2022, and several industry response groups were formed by the private sector to provide the Commission with input. The current comment period is too short to permit a thorough economic analysis of the Proposals individually and as a whole. While STA is confident that the Commission will receive input from some industry participants by the comment deadline, large, interested parties whose empirical data the Commission has found critical in past rulemaking may not be among those commenters.[8] STA requests that the comment period for all four proposals be extended a minimum of thirty (30) days. Extending the comment period will allow for additional substantive feedback and could include processes such as roundtables involving market participants, academics, and other interested parties.

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3. the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities;
4. the practicability of brokers executing investors' orders in the best market; and
5. an opportunity, consistent with the foregoing objectives of efficient execution of securities transactions and practicability of brokers executing investors' orders in the best market, for investors' orders to be executed without the participation of a dealer.

[6] February 23, 2000; Release No. 34-42450 Request for Comment on Issues Relating to Market Fragmentation; September 26, 2001; Release 34-44845 Request for Comment on the Effects of Decimal Trading in Subpennies; May 14, 2003; Release No. 34-47849; Request for Comment on Nasdaq Petition Relating to the Regulation of Nasdaq-Listed Securities.

[7] Regulation NMS; pg 7.

[8] March 22, 2023 letter to U.S. Securities and Exchange Commission, from Jason Clague, Managing Director, Head of Operations, Charles Schwab & Co. https://www.sec.gov/comments/s7-30-22/s73022-20161187-329997.pdf.

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2. Incremental Changes

It has long been STA's view that rules and regulations should be introduced on an incremental basis to better identify and address unintended negative consequences. The Proposals with their many prescriptive and mandatory components have the potential to be extremely disruptive to the financial markets and to all investors if introduced simultaneously. These attributes increase the risks of negative unintended consequences, the specific causes of which the Commission and market participants will be less able to identify due to the interconnected nature of the proposals. Therefore, we recommend a phased and methodical approach like those outlined in joint letters by industry participants with diverse business models.[9] STA agrees that a targeted approach which includes introducing changes incrementally and then pausing to assess whether additional reforms might be needed will meaningfully reduce the risk of unforeseen negative consequences while also better ensuring the benefits already provided to investors and issuers continue to exist. An incremental approach will also improve the Commission's ability to identify and rectify potential unintended consequences. No one can predict the future, but experts can often demonstrate the most likely outcomes of some changes, especially those with fewer variables.

3. Order Execution Information: Rule 605 Proposal

STA strongly supports enhancing order execution quality disclosure and recommends implementing this proposal first while considering technical feedback from market participants. We agree with the Commission about the importance of having the means to measure executions accurately and completely. Comprehensive and accurate data that uses bona fide benchmarks are critical to enabling both regulators and market participants to assess the impact of any changes made to current market structure.

The STA believes benefits can accrue to individual investors when regulators, with industry input, define industry standards in appropriate areas. Having defined regulatory industry standards ensures information is accurate and uniformly available. In addition, such standards foster private market solutions which transcend to lower costs.

STA is a member of the Financial Information Forum ("FIF")[10] Rule 605 Working Group. This working group focuses on industry best practices and information sharing with respect to meeting the provisions outlined in the Rule. Through our involvement in working with FIF we state with great confidence that

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[9] March 6, 2023 Letter to the Commission, from Michael Blaugrund, Chief Operating Officer, NYSE, Jason Clague, Managing Director, Head of Operations, Charles Schwab & Co., and Joseph Mecane, Head of Execution Services, Citadel Securities, https://www.ice.com/publicdocs/nyse/Joint_Consensus_Position_Letter_to_the_SEC.pdf; March 24, 2023 Letter to the Commission, from David Howson, Executive Vice President, Cboe Global Markets, Kimberly Russell, Market Structure Specialist, State Street Global Advisors, Todd Lopez, Americas Head of Execution Services, UBS Securities LLC, Nathanial Evarts, Head of Trading, Americas, State Street Global Advisors, Mehmet Kinak, Global Head of Trading, T. Rowe Price and Douglas Cifu, Chief Executive Officer, Virtu Financial, Inc. https://www.sec.gov/comments/s7-32-22/s73222-20161714-330556.pdf.

[10] FIF (www.fif.com) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the securities industry across the order lifecycle. Participants include trading and back-office service bureaus, broker-dealers, market data vendors and exchanges. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

their recommendations on the Rule 605 Proposal are well-vetted and informed. Therefore, we recommend the Commission consider them in any final rulemaking.

4. Amendments to Reg NMS: Reg NMS Proposal (Tick Sizes, Fees, Round Lots and Odd Lots)

i. Tick Sizes for Quotes

STA believes that strong secondary trading markets require a combination of displayed liquidity that is accessible in a fair and reasonable way, and enhanced liquidity, which is liquidity that exceeds what is publicly displayed and available in the marketplace. A contributing factor in the amount of enhanced liquidity available is the capital commitment which comes from a subsector of trading centers: market makers, both electronic and traditional; and block traders. Overall liquidity which is a combination of displayed liquidity and enhanced liquidity is essential for overall investor confidence and capital formation because issuers are less likely to participate in initial public offerings without a reasonable expectation that an active secondary trading market will develop for their securities thereafter.

There is perhaps no single market structure event that has yielded more benefit to retail investors who transact directly with counterparties in the market to buy or sell securities than the introduction of quotes in decimal prices. The benefits for this class of investor are witnessed every day in the narrow bid to ask spreads in the securities in which they trade. The data which shows the implicit savings to investors brought about by narrow spreads becomes even more impressive when it shows that even during moments of volatile markets, spreads remain tight.

However, this benefit, which was immediate and long lasting, has contributed to a significant decline in the quantity of liquidity providers in smaller and medium sized companies and in those with less active trading or those that are considered thinly traded. The Commission has expressed a similar observation and concern with the concentration of only a handful of firms who are the executing broker dealer on the vast majority of retail orders. The Reg NMS Proposal would apply four different tick sizes, at levels of one-tenth cent, one-fifth cent, one-half cent, and one cent to different categories of stocks. STA opposes such an expansive and wholesale change to the tick-size regime. Tick sizes which are too granular for small to mid-sized company stock will exacerbate this trend of fewer liquidity providers. We believe instead that the Commission should consider including a tick-size of $0.02 for thinly traded securities.

Tick sizes for quoting have a direct impact on displayed liquidity and enhanced liquidity provision. Their impact can be both positive and negative. Tick sizes that reflect prices where investors are willing to buy or sell a security protect those investors from inferior prices. Tick sizes that are too granular and do not represent true investor interest allow for abusive behaviors such front running larger displayed orders in the marketplace and decreases in displayed liquidity. This results in less enhanced liquidity available in the market because those market participants able to commit capital are less likely to do so.

Therefore, STA believes there is significant value in defining an approach and methodology to establish the optimal tick size for quoting a security. We believe that such determinations should require approval by the Commission with industry input to provide an orderly process that would be less confusing for investors. Many of our members' firms have recommendations on how to design such a regime. While the details among their recommendations may differ, we believe the majority possess similar concepts.

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We therefore hope the Commission finds the below list of guiding principles useful in its decision-making process.

a. Tick Constrained Securities: Identify these securities first

STA believes that in the current regime a subgroup of securities exists which are "tick-constrained" i.e., securities that are nearly always quoted in the smallest increment currently permitted. As it pertains to these securities, investors are potentially missing superior executions at smaller increments. STA appreciates that there have been multiple recommended methodologies by the industry to the Commission on how to determine whether a security is tick constrained.[11] While STA is unable to build a consensus on which recommendation is best, they all possess a multi-factor approach and have a small variance in the number and types of securities identified as "tick-constrained" determined by these methodologies.

STA recommends that the Commission employ a methodology consistent with one or all of the recommendations made by the industry for determining which securities are tick-constrained.

b. Quoting Increments

The Reg NMS Proposal would apply four different tick sizes at levels of one-tenth cent, one-fifth cent, one-half cent, and one cent to different categories of stocks. STA opposes such an expansive and wholesale change to the tick-size regime.

We believe such a regime will result in decreased market depth and fragmentation of liquidity. These outcomes were experienced in Europe with the implementation of MiFID I in 2007, which gave exchanges the ability to determine their own tick sizes. In its letter[12] to the Commission dated March 15, 2023, Optiver US LLC, describes how "exchanges seeking to compete for market share against each other and against alternative venues offered ever decreasing tick-sizes, often down to 0.001. This race to the bottom lead to market fragmentation of liquidity, decreased market depth…" STA believes a similar outcome could result in the U.S. if the Commission adopts the Reg NMS Proposal in its current form.

STA also believes the Commission's proposed tick size regime will result in increases to message traffic. Increased message traffic raises the hardware and storage needs of a broad range of market participants: exchanges; broker dealers; vendors; asset managers; and regulators. Increased message traffic increases the costs for market data without necessarily a commensurate benefit. STA recognizes that the level of message traffic in the options markets far exceeds that which exists in the equity markets. However, increases to message traffic impacts equity markets differently. The use of algorithms for the execution of large institutional orders is a larger presence than algorithms used for executing options. Increases to message traffic for equities make it harder for algorithms to keep up

[11] Angelo Evangelou, Chief Policy Officer, Cboe Global Markets letter to the Commission dated, February 28, 2023, https://www.sec.gov/comments/s7-30-22/s73022-20158236-326301.pdf;
Hope Jarkowski, General Counsel New York Stock Exchange letter to the Commission dated, March 13, 2023, https://www.sec.gov/comments/s7-31-22/s73122-20159561-327567.pdf ;
March 16, 2023 article, The Economics of Tick Regimes.

[12] https://www.sec.gov/comments/s7-30-22/s73022-20159764-327891.pdf

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with live prices and order flow across the portfolio of orders being worked. Fostering greater operational capability should be the foremost factor when considering any regulatory or legislative change impacting the financial markets.

STA recommends that the Commission exercise extreme caution in allowing securities in particular those which are not tick constrained to be quoted in subpennies. While we agree that there are certain securities which are tick-constrained, we believe they are a small sub-set of all securities and that a single change, such as $0.005, would better achieve the Commission's goal of providing investors with better prices on these types of securities. Furthermore, we recommend that the Commission allow for meaningful review on whatever it decides to do in this area. We do not believe a perfect solution can be achieved without a degree of trial and error. Therefore, the Commission needs to consider its capacity and ability to monitor improvements and degradations to market quality after implementation of any changes.

c. Trading increments

STA believes the minimum quoting and trading increment do not need to be the same. We believe a minimum trading increment across market venues could allow for greater competition between exchanges and broker dealers. This increased competition could potentially improve market quality and provide benefits to investors. Should the Commission explore this approach, it should do so initially with a limited number of securities given the absence of empirical data. This would allow for the markets to understand the implications and effects on operational performance. For example, in today's regime, institutions who represent millions of individual investors are able to trade at the mid-point of the national best bid/offer with no restrictions of a minimum trading increment. Trading at the mid-point provides institutions and their investors a protection from information leakage to the marketplace on their orders. Whatever trading regime the Commission determines should allow for these types of trades to occur on a frictionless basis. Additionally, the impacts to price-improvement provided by order execution firms needs to be understood.

ii. Access Fees

Primary concerns on access fees have evolved over the years. When the Commission addressed access fees in Regulation NMS in 2005, those who supported an access fee cap viewed it as a compromise that would prevent certain market centers from abusing the protected quote status, or Order Protection Rule, to extract high fees. They also believed it would help give greater certainty to market participants that a quoted price will be the actual price paid for the security. The Commission established a $0.003 per share access fee cap in part because very few trading centers at the time charged fees that exceeded this amount, and the fee cap would address outlier trading centers that might otherwise charge fees higher than $0.003 per share.

Today, the primary concerns on access fees are how they contribute to the maker/taker or taker/maker pricing models offered by exchanges and the offshoots of conflicts of interests in the routing of customer order flow by broker dealers. As commission rates have come down drastically since 2005, the possible influence that these conflicts of interest had in routing decisions increased.

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STA believes that the impact access fees have on our market structure and the primary concerns of their impact have evolved since they were originally implemented. Access fees are engrained in how the markets operate today. While we favor a reduction that is more rational or proportionate with the current tick regime and commission rate landscape, we once again caution the Commission in implementing a new regime that is unable to be reversed with minimal cost in the event of unforeseen negative consequences. We recommend that any reduction in the rate be implemented initially on a subset of securities so the industry can understand any benefits or degradations.

iii. Round Lots

It is our view that Congress' NMS mandate to provide investors information with respect to quotations and transactions in securities would be better fulfilled if the Commission replaced the 100-share "round lot", which is the standard unit for determining NBBO prices, with those contained in the Commission's Market Data Infrastructure Rule ("MDIR"). Our recommendation is based on certain macro changes in our markets that have been facilitated by advancements in technology.

The combination of technological advances in order routing and trading strategies have greatly increased the speed and automation of markets. The proportion of trading in orders of less than 100 shares, or "odd-lots," has grown significantly. Large amounts of these trades are the result of trading strategies which slice large orders into numerous much smaller sized orders. The purpose of these strategies is to avoid market impact that might occur if the original large order were exposed in its entirety.

In addition, advancements in investment tools available at no-cost and low required minimum balances at a broad range of broker dealers have greatly expanded the number of self-directed investors. The investment characteristics of these investors includes trades of low notional amounts. We believe that reducing the lot size for certain securities to a value that better aligns with these types of investors is prudent and consistent with the Commission's NMS mandate for providing information with respect to quotations for and transactions in securities to investors.

Therefore, we recommend accelerating implementation of the revised round lot definition, as contained in the Commission's Market Data Infrastructure Rule ("MDIR"). We do not at this time recommend including the odd lot dissemination on the securities information processors ("SIPs"). We would instead encourage the Commission to revisit industry comments on odd lot dissemination before full implementation of MDIR.

STA believes that our recommendations on the Reg NMS Proposal relating to reducing the minimum tick size on tick-constrained securities and reducing access fees from their current levels and redefining odd-lots will represent meaningful improvements to the NBBO that will benefit investors by providing better prices and a greatly improved benchmark for measuring execution quality.

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5. Auction Proposal

The Auction Proposal requires brokers to submit orders from certain investors ("segmented orders") to a new fair access auction where anyone can compete to trade with them. The Auction Proposal creates a new definition of retail – an individual who trades less than 40 times in each of the six preceding calendar months – and creates a new term "restricted competition trading center".

According to the Auction Proposal Fact Sheet:[13]

> "…Commission analysis of trading data indicates that the level of price improvement offered by wholesalers does not fully reflect the much lower cost. The amount of this "competitive shortfall" is estimated to be 1.08 basis points per dollar traded by wholesalers, with an estimated total annual amount of $1.5 billion.
>
> The proposal is designed to benefit individual investors by promoting competition and transparency to enhance the opportunity for their orders to receive more favorable prices than they receive in the current market structure, and to benefit investors generally, including institutional investors, by giving them opportunities to trade directly with individual investor orders that are mostly inaccessible to them in the current market structure."

At its core, the Auction Proposal seeks to provide a mechanism whereby certain retail orders can interact with institutional orders at the mid-point of the NBBO without the participation of a dealer. According to the Commission, in such scenarios the retail order would receive a superior execution price (mid-point verses bid/offer) and the institution would find liquidity without the need for a bilateral with the broker dealer entering the retail order.

STA appreciates the Commission's stated goal to enhance the existing competitive landscape for equity retail flow by attempting to bring retail and institutional orders together in a competitive environment. However, the Auction Proposal is deeply flawed in its design and economic analysis of its costs and benefits.

Overstating the benefit - The $1.5 billion improvement on retail orders entered into the auction mechanism assumes that institutions with pre-existing and contra-side orders will interact with these retail orders. Given the process on how these orders would match, we are doubtful that institutions will use the auction mechanism. As described in the proposal, retail orders are sent to the auction mechanism, an alert indicating side (buy or sell) and size (number of shares) is sent to a wide universe of market participants via the SIP. The auction is held for a short period of time that only institutions or brokers acting on their behalf can interact with or take the other side. Should the retail order match with the institutional, that will send a signal to the market place that an institution has an order in the market. That information leakage is enough that some institutions will either not use the auction mechanism or will direct their broker not to.

[13] Fact Sheet; Proposed Rule to Enhance Order Competition https://www.sec.gov/files/34-96495-fact-sheet.pdf

Underestimating the cost – The Consolidated Audit Trail, ("CAT") captures and stores certain events which occur in the market place on a daily basis. These reportable events include but are not limited to executions, cancellations, new orders, modifies, and routes. Today, CAT is capturing 400 billion reportable events per day. This figure far exceeds the original estimate of 58 billion reportable events per day when its project was originally scoped out. According to the CAT Financial and Operating Budget[14] total operating costs for 2023 will be $236,689,786. This represents a 35% increase over its cost in 2022. The Auction Proposal fails to identify how the auction mechanism process will impact the number of CAT reportable events, and therefore, the costs related to the increase. Under the regulatory guidelines of CAT, we assume with confidence that the following new types of messages would be considered CAT Reportable Events:

- Retail Order Sent to Auction
- Outgoing message via SIP to market participants
- Incoming messages to the auction on prices
- Outgoing messages on fill or no-fill information

In an auction mechanism regime, the amount of CAT reportable events on a single retail order will increase dramatically when comparing to the current regime whereby an order is sent by the order entry firm to an executing broker-dealer and a response is sent back. The impact to CAT costs caused by the auction mechanism needs to be clearly understood and reflected in the Commission's economic analysis.

STA recommends that the Commission withdraw the Auction Proposal until determinations have been and implemented on rule amendments relating to quoting and trading increments, access fees, and round-lot definitions, and a new economic analysis based on an improved Rule 605 has been performed.

Summary

The STA appreciates the Commission's efforts to improve the equity markets for investors through proposals intended to increase transparency and competition. Even though the U.S. equity markets are the most liquid, resilient, efficient, and low-cost markets in the world, there are some areas where incremental improvements can be made. However, we believe the sweeping scope and complexity of the Proposals taken together merits an additional 30-day comment period to give commenters sufficient time to better analyze the impacts the rules – individually and collectively – may have on investors and market participants.

Additionally, STA recommends the Commission move forward in an incremental or phased manner rather than implementing wholesale changes simultaneously, which would entail significant risks to the operational integrity of the market ecosystem as well as to the individual investor experience. STA supports calls for advancing proposals related to order execution information, identifying tick-constrained securities and their minimum pricing

[14] CAT Financial and Operating Budget, https://www.catnmsplan.com/cat-financial-and-operating-budget

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increments, access fees and round lots, and then after implementation of those changes, assessing whether additional reforms are needed, and if so, what might be most appropriate based upon the new data resulting from those reforms.

Thank you for considering our views. STA looks forward to further constructive discussions with the Commission relating to the Proposals and the U.S. equity markets.

Sincerely,

James Toes

Ryan Kwiatkowski
Chairman of the Board
STA

James Toes
President & CEO
STA

Honorable Gary Gensler, Chair
Honorable Hester M. Peirce, Commissioner
Honorable Caroline A. Crenshaw, Commissioner
Honorable Mark T. Uyeda, Commissioner
Honorable Jaime Lizárraga, Commissioner
Haoxiang Zhu, Director of the Division of Trading and Markets