



July 15, 2017

Mr. Brent J. Fields
Secretary
U.S. Securities Exchange Commission
100 F Street N.E.
Washington, DC 20549

Re: File Number SR-BatsBZX-2017-34

Dear Mr. Fields:

The Equity Dealers of America (EDA) appreciates the opportunity to comment on the Proposed Rule Change by Bats BZX Exchange, Inc. (BATS) to Introduce Bats Market Close, a Closing Match Process for Non-BZX Listed Securities Under New Exchange Rule 11.28 (Proposal).

The EDA represents the retail and institutional equity capital markets interests of middle market financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. The EDA's mission is to promote efficient and competitively balanced equity capital markets that advance financial independence, stimulate job creation, and increase prosperity. The EDA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States. The EDA is laser focused on supporting policies that make the market structure for the U.S. Capital Markets as accessible and as attractive as possible for small and medium sized businesses.

The EDA has serious concerns about what the Proposal will do to further fragment the U.S. equity markets. We strongly believe that the adoption of the Proposal will introduce less transparency into the marketplace, it will impair price discovery for securities on the markets where they are listed, it will remove an issuers ability to determine which exchange should manage the closing auction of its shares, it undermines the promotion of fair and orderly markets, and it will act as another deterrent to small and medium size issuers pursuing a public listing on U.S. exchanges.

We believe that the smooth and efficient functioning of closing auctions is critical to an issuers decision of whether to publicly list its securities on an exchange. We also believe that both issuers and market participants have a strong desire to make certain that a centralized closing process for their shares exists. Additionally, ETFs and mutual funds rely on this process to determine the closing price with which they use to value their holdings, and ultimately, to

publish the price of their shares and NAVs. Market participants are comfortable with and believe in the integrity of the closing price established by centralized auctions. We do not see any public policy reason for this to change.

We also believe that the Proposal violates Section 6(b) of the Securities Exchange Act of 1934 (Act) because it introduces a mechanism into the national market system that we believe will interfere with ability of national securities exchanges to conduct a centralized closing auction. A Proposal that requires market participants to divert market on close orders from the auctions conducted by the exchanges to BATS has the potential to disrupt the functioning of the order process and the integrity of the official closing price. Every order plays a part in the determination of the closing price, and we believe that diverting orders away from the exchanges' centralized process will interfere with the integrity of their auctions ability to find the optimal closing price. Consequently, in our view, this would constitute a prima facie violation of Section 6(b) of the Act.

Competition for competition's sake has led us to a market structure that favors large cap issuers over small and medium sized issuers. The market structure is liquid for large-cap companies, but lacks liquidity for small-cap and mid-cap listed companies. The EDA urges the SEC to be very deliberate and to consider all of the operational risk, complexity, and market structure issues that have surfaced because of this Proposal. Competition must promote integrity and confidence in the U.S. equity markets, it must protect the orderly process of today's market close, it must result in closing prices that all market participants can rely on, and it must not deter small and medium sized companies from entering the marketplace.

We appreciate the opportunity to engage with the SEC on this Proposal, we look forward to being a resource to the staff as they deliberate whether to approve the Proposal, and we recommend that the SEC not approve the Proposal.

Respectfully,

Christopher A. Iacovella
Chief Executive Officer
Equity Dealers of America