April 20th, 2018

Dear SEC,

For the first time ever, average individuals are required to invest their savings on their own, away from defined-benefit plans, relying on public stock market returns to fund their retirement.

And for the first time ever, some of the most dynamic companies in our economy are choosing stay private, or delay their IPOs.

Lots of attention has been focused on the first issue. Little has been placed on the second. But they are related to each other.

There is a long list of dynamic companies -- Lyft, Uber, Airbnb, Palantir, SpaceX, Pinterest, WeWork, and others -- that, in any other era, likely would have IPO'd years ago. But they've stayed private, where their economic gains accrue to a fairly concentrated set of institutional investors, rather than to public markets.

The U.S. population has risen nearly 50% since 1975, and real GDP has tripled. But the number of public companies has declined 21%. Why that's the case is a complicated topic. But in my career working with public and private investors and companies, I have seen how a combination of trading technology, 24/7 media, and competition among investment managers, has caused public markets to become increasingly preoccupied with short time horizons. Data from NYSE shows the average holding period of U.S.-listed stocks has declined from more than 5 years in the 1970s to less than 12 months today. The attention span of public markets has diminished so much in the last three decades that public companies' ability to invest in projects where payoffs are measured in years, rather than quarters, is curbed.

As public markets become sophisticated *trading* venues, much of the *investment* in our economy today has shifted to private markets, where investors and companies can align on long-term visions that are necessary to grow a successful company.

The solution to this problem is not to regulate existing public markets. Deep liquidity and short-term capital serves a purpose in our economy and has provided many benefits; notably, a decline in trading costs that has benefited individual investors.

But adding an exchange whose purpose is to promote long-term thinking -- as is being proposed by the Long-term Stock Exchange -- will benefit many. Companies will have broader access to long-term equity capital, with less emphasis on quarterly performance. Long-term investors will have a venue to back companies with similar time horizons. And by providing a venue for long-term-oriented companies to list on, individual investors will be able to gain exposure to companies that currently choose to avoid public markets entirely.

I support the mission of the Long-Term Stock Exchange, not only as an investor, but as a citizen who believes that the democratization of capital is integral to a properly functioning economy.

Regards,

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RE: SR-IEX-2018-06