

Title: Example of writing your senators, congress, and the SEC regarding the proposed IEX changes to improve market liquidity and accuracy of quotes

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Thank you for the opportunity to bring this issue and concern to you.

Today in the U.S. stock market computerized trading via algorithms and machine learning is growing among the largest hedge funds and institutions, where they complete their transactions in milliseconds. Thousands of times faster than any human being through high-frequency trading. These hedge funds do not trade on the value or fundamentals. Instead, they exploit the flaws of the system for profit and gain. They are thieves of market liquidity.

IEX has proposed a 350ms “speed bump” which introduces latency which serves to increase the accuracy of quoted prices and market liquidity by improving the accuracy of real-time stock prices and reduce the “latency arbitrage” which is exploited today by large hedge funds today. This rule change would benefit all but those exploiting this flaw today through great transparency and be among one of the needed changes towards democratizing the US Stock Market.

The details of a proposal by IEX to the Securities and Exchange Commission available under Release No. 34-87814; File No. SR-IEX-2019-05. I strongly encourage you to read this proposal and a response to comments from John Ramsay from IEX. (<https://www.sec.gov/rules/sro/iex/2019/34-87814.pdf> and <https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-7169827-216633.pdf>)

During the comment period, the advocates for the approval of this change by IEX are representative of those that seek to make exchanges fairer to all and those being exploited today. Those responding for the approval include:

****Kevin Duggan, Ontario Teachers Fund; Benoit Gauvin, Caisse de depot et placement du Quebec; Alex Done, Office of New York City; Craig A. Husting, Public School & Education Employee Retirement Systems of Missouri; Hank Kim, National Conference on Public Employee Retirement Systems; Mark Holleror, Vestrone Inc.; Damian Naroun, State of Wisconsin Investment Board; Richard Wan, Alberta Investment Management Corp; Brent Robertson, Robery Gouley, OMERS; June Kim, California State Teachers Retirement System****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-6858786-210532.pdf>)

****John J Lothian, John J Lothian Company, Inc****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-7435591-220662.pdf>)

****Lev Bagaramian, Better Markets****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-7201212-216873.pdf>)

****Gregory Davis, The Vangaurd Group, Inc****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-7108480-215911.pdf>)

****Brian Urey, Allianz Global Investors****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-7180927-216796.pdf>)

****Jeffrey P Mahoney, Council of Institutional Investors****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-7108476-215909.pdf>)

****Rich Steiner, Royal Bank of Canada Capital Markets****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-6892315-210934.pdf>)

****Philip Berlinski, Goldman Sachs & Co.****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-6873861-210636.pdf>)

****Congressman Alex X Mooney and Congressman Lance Gooden****

(<https://www.sec.gov/comments/sr-iex-2019-15/sriex201915-7409654-219174.pdf>)

The opposition to the change is Citadel, led by CEO Ken Griffin, and conducts some of the largest high-volume computerized trading on the planet. Today Citadel is a benefactor of latency arbitrage because they have developed computerized algorithms designed to exploit this arbitrage and give them an unfair advantage in the buy and sell of securities for their profit. They also pay for the entirety of the order flow for retail trades from companies like Robinhood. Their statement that they handle more than 50% of retail trades is merely evidence of the market monopoly they are creating. Their façade of “supporting retail” is used in public statements to create a narrative that suits them, because they have been directly associated with harm they have caused to retail investors.

These practices by Citadel are for the amassing of information without any consent from the individual investor or ability of the investor to choose their own trade routing. By keeping the trading confined to their black box, they can manipulate the price of securities, the timing of buys and sells, and further develop their algorithms to exploit the flaws of the system. Citadel is not an advocate for the retail trader. Their actions do not demonstrate the means in which they seek to benefit the individuals participating in the stock market. They want to own the market and determine the outcomes to their own benefit by fleecing the small players and the pension funds of our public servants by stealing billions of pennies every trading day.

Citadel has been fined several times recently for actions which harmed investors as demonstrated in this ruling from the SEC which is among the \$22 million in fines they have paid.

(<https://www.sec.gov/litigation/admin/2017/33-10280.pdf>)

For Citadel, these small fines are merely the cost of doing business. They operate with the persona of a monopoly holder. Regulators around the globe have found that to stop these exploiters that fines must be substantial and incremental where the largest offenders pay billions for breaking the law and harming consumers and businesses. And scrutiny is applied to all opposition from these companies because of the pattern of corporate narcissism that they operate under.

Citadel's lawsuit against the SEC is to prevent the close of this loophole by IEX because it closes one flaw that they have profited from. You will find that comments to the proposed change include those that are neutral and merely state that it should have thorough review and intentionality, many in favor which represent groups that serve hard working people with small nest eggs, and multiple oppositions from Citadel and few others.

Thank you once again for your time to familiarize yourself with the challenges in our stock market and those that seek to improve it and those that want to prevent fairness.

Kind regards,