

McElveen, Josephine

RECEIVED
MAY 12 2011
OFFICE OF THE SECRETARY

ES/38332

From: Dak Brandon Steiert [REDACTED]
Sent: Tuesday, May 10, 2011 11:30 AM
To: CHAIRMANOFFICE
Subject: Request to repeal the Pattern Day Trading Rule SEC & FINRA NASD Rule 2520

Dear Chairman,

I would like to add my opinion that the Pattern Day Trading Rule significantly increases risk for individual investors, far from decreasing it, to those who have surely contacted the SEC in the past. This rule forces investors to hold risky securities which are dropping in value while they suffer substantial losses in order to prevent being tagged a Pattern Day Trader and lose their account privileges for 90 days. The alternative is exiting positions despite the rule to protect one's assets, in turn losing the right to continue to use an account to manage those assets for the next 90 days. Furthermore, many investors play a useless shell game, switching money between accounts as risk avoidance requires that they exit a position in violation of the rule.

It is arbitrary and counter-intuitive that the requirement to be allowed the privilege to day trade is to have MORE funds in an account, because if the argument that day trading increases risks is to be believed, this would put the accounts that are allowed to engage in day trading at much greater financial risk. It also discourages traders from learning to day trade with smaller amounts of money until they find profitability and deem it wise to invest more. Additionally, the rule discourages smart people from investing in the market in a down economy because they realize they are not allowed the freedom necessary to protect themselves if they do invest - thereby preventing money from flowing into the market.

My personal experience has been that I have lost far, far more money avoiding being classified as a pattern day trader and holding onto securities that were losing value, than I have ever lost when I was under the number of allowed trades in the last 5 business days and therefore allowed to exit positions if they were losing value. In other words, the rule has increased my risk incredibly and has made me lose many times more money than it has ever saved me by protecting me from myself.

Thank you for your consideration, please repeal or amend this rule in a way that will allow small investors freedom with their own money and

the ability to avoid substantial losses at will. If the rule is not repealed totally, and it is my strong opinion that it should be, perhaps allowing investors to sell positions for no gain or at a loss, while not being classified as a pattern day trader, would at least eliminate the great risks imposed by the rule but still help to discourage day trading behavior - if that is the aim of the SEC.

Sincerely,
Dak Steiert