Good morning,

This letter is to serve as my input on Ruling S7-18-21. I would first like to voice my support for Dr. Susanne Trimbaths letter on this, as she is a figurehead who helped shine a light on the abuse of this rule, and that many like minded investors seek to correct. To start with, I am in strong support of transaction-by-transaction reporting. Specifically, to eliminate the ability to "hide within the aggregate"; transparency means transparency and aggregates are not transparent. Secret short selling could dissuade actual investment as funds attempt to glean profit off the backs of true investors.

To pair with this, I absolutely support the fifteen minute reporting requirement as well. Many might complain that the cost and effort are not justified, yet they have access to the systems, and money to streamline this process effectively, at little to no cost to them. There is no logical reason for it to not be implemented.

While I can’t remember the examples I had, the current model is not friendly towards working families, and everyday people that are victimized by financial predators. This is also emphasized, or at least addressed somewhat by the Fy22-26 draft recently published on August 24th, 2022. Which is another step in the right direction and something I will be holding the commission to as well.

I will also point out that a short seller is not an investor at all, but an active aggressor against a company, personally. There simply shouldn’t be short selling, as it is financially crippling a company for the intention to seek tax free profit. I understand not liking some companies, but being able to do this in the first place should be absolutely illegal.

To add further, Lately it seems the SEC has been prioritizing hedge funds comfort, and profiteering over the protections of investors, and market transparency we need. Short sellers may be afraid of short squeezes that can come with the identification of their short selling strategy. This isn’t a reason for the commission to decide against greater transparency.

Continuing, the removal, or lessening of short selling, would add to the stability of the markets. “Sophisticated investors” (for lack of a better word) would quickly learn to avoid positions that could result in dangerous volatility, and that alone can benefit the market overall. I mean if short selling comes with infinite risk (by definition), and no one on this earth has infinite money, how do you expect to pay up.

If retail is granted greater transparency with timely (fifteen minute) reporting they will greatly benefit from the added information. Not only is retail the “biggest whale”, but this can also have the precedent of increasing the quality of life for all involved as well, in my opinion. This comes from us having a much better idea of the risks of our decision, and transactions made, from seeing who is targeting which companies.

If funds continue to be allowed to short in the dark, retail investors are at extreme risk, and dangerously unaware of risks they may be taking on when purchasing securities. If reporting was slowed instead, that prevents retail, and working families from being able to protect themselves from abusive, and predatory short selling practices. To add a funny yet true quote, “Individual investors need to be able to look both ways before they cross wall street”.

With access to such data in a more timely manner, and with greater transparency, the public can help the SEC, and be the front line. This would allow for more eyes monitoring short selling data for securities fraud, strengthen the SEC response and information network, and fulfill its mandate at no cost. More timely, higher quality reporting would create a rippling effect whereby some individual investors look through the data, publicly release their findings for free, and then have that analysis disseminated and re-analyzed, spurring more action. That would allow for individual investors, and working families to better arm themselves with the knowledge, and data to safely navigate the market.

To add, working families do not have the resources to buy data and analysis, nor do they have the time to analyze the data themselves as extensively. Therefore, greater transparency has positive effects on investor protection that far exceeds the short term views of counterparties in objection to greater transparency. The commission needs to not be ignorant of how social media can facilitate a protective web of information sharing that protects investors. Along with the commission must not behave as though they are ignorant of how greater data provision empowers whistleblowers, who help extend the reach of the commission, and help it reach its goals.

Finally, there are many dangers inherent in long, untracked lending chains that can lead to economic fragility. Securities lending activity can hide massive chains of obligation that could not only threaten national stability, but globally as well. Transparency is more important now than ever, due to the risks associated with reckless securities lending and short selling. There’s been many times where there was too much idiosyncratic risk focused in one stock because of that. We the people, and the SEC need to work together to prevent that.

Thankyou for taking the time to read this, and I hope my voice, like many others, reaches out and resonates with those of like minds.

Sincerely,

A concerned retail investor.