WEDBUSH

April 20, 2020

Ms. Vanessa A. Countryman
Secretary Securities and Exchange Commission
100 F Street NE Washington, DC 20549–1090

Re: NYSE Proposal to Modify the Provisions Relating to Direct Listings (File No. SRNYSE-2019-67)

Dear Ms. Countryman,

We are providing our comments, albeit late in the process, as various SIFMA colleagues suggested some of my experience and viewpoints could be useful to gain perspective as you decide about direction for Direct Listings.

Direct Listings definitely have a place in the landscape. Listing requirements can be made clear, but reasonable to encourage companies to step forward. Due diligence is already ably done by the legions of experienced accountants, lawyers, consultants, rating agencies etc. Bankers can be hired on a fee-for-service basis to assist with positioning, comparables, investor targeting, and valuation approaches. The concerns about price discovery can be mitigated with testing-the-waters or even crowdcasting in advance of the pricing. The key is to share the learned information with the crowd and the issuer immediately to create confidence and narrow the pricing gap. Once that is achieved, supply will meet demand. A public company is born, and our collective finance industry can provide a range of services and products to help investors understand the business model; and the issuer to access capital or partners as needed. It is in our sector's long-term financial interest to foster more IPOs, and if they are so-called Direct Offerings, let it occur.

In certain situations, a traditional underwritten offering is more appropriate if the issuer needs to raise a specified amount of capital. That said, there are many quality companies that may not have a high need for capital, but would like to access the public markets for the litany of good reasons we all know. Having the option of a Direct Listing is positive for all parties as it creates a more vibrant ecosystem. The industry should want more public companies as it has dedicated a large and experienced infrastructure that can service these companies at low marginal cost. Private investors will ultimately appreciate more of their investments finding liquidity and risk sharing at a lower cost of capital. Let's not forget that the public markets provide invaluable pricing signals from the broadest spectrum of investors. These signals allow both private and public companies to make forward investment decisions. The Direct Listing bridges that gap. The technology and knowledge to do it safely and efficiently exists.

The current massive correction that has effectively shuttered the capital markets, is actually a good time to explore Direct Offerings more aggressively. The US needs to stay at the vanguard. At prior times of dislocation, a company possessing a public currency albeit at lower absolute valuation, still created *relative* valuation advantage, allowing companies with good business models to go on offense via M&A, or recruiting talented professionals versus their private peers.

Background: I am a 35 year investment banker, who built a practice in financial institutions. I now oversee an investment banking division at a mid-sized national firm. I was a bookrunner on the first IPO of an exchange (CME); was advisor to Reuters on its hybrid Book Build/Dutch Auction of Instinet, and have executed many financing and advisory transactions for marketplaces and venues. In 2004, I founded a price discovery service called WellAuctioned which created the concept of collaborative forecasting (now called Crowdcasting) for IPO prices or other hard to value securities, and was subsequently awarded a patent (USPTO-8204821).

Wedbush Securities Inc., founded in 1955, is a privately-held, Los Angeles headquartered securities broker/dealer with approximately 800 employees, a national footprint of retail and institutional distribution, correspondent clearing and capital markets.

Feel free to call me if you have questions or would like more details.

Sincerely,

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