

**From:** [REDACTED]  
**To:** [Comments, Public](#)  
**Subject:** Regulatory Notice 21-19  
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Re: Request for Comments  
FINRA regulatory request # 21-19

To Whom it May Concern,

In a fair and open trading market there should be transparency and a level playing field for all investors. It has become apparent over the last few years that large institutional firms have come to play critical roles in the financial markets. These firms and their critical roles are not subject to sufficiently comprehensive regulation and oversight. I believe that radical change is required to address the growing unfairness that characterize the current structure of U.S. trading markets.

Right now, there is a massive deficit in access to information, trade speed, preferential terms and types of trades, and pay-to-play investing that heavily favors institutional investors over retail investors. Additionally, institutional investors engage in relationship-based, illegal, or near-illegal activity on a daily basis that give them an outsized influence on the market. These tactics include, but are not limited to:

- naked short selling,
- dark pool buy/sell manipulation,
- pay for order flow (PFOF),
- manipulation of complex financial instruments to circumvent existing regulations (avoiding failure to deliver [FTD] obligations, exiting the threshold security list earlier than should be allowed, bond arbitrage, note arbitrage, etc).

The playing field needs to be leveled by giving everyone access to the same information and trading opportunities. More importantly, the dubious activity that some institutional investors engage in needs to be investigated and prosecuted rather than being kicked down the road by the regulating agencies. Historically, there has been no enforcement against the common practice of naked shorting and FTD's and when enforcement action is taken, the assessment of minimal fines that represent a tiny fraction of the ill-gotten gains from these illegals practices has not served as a deterrent. In fact, lax enforcement has emboldened the wall street manipulators.

Every investor should have access to the following data (in real time whenever available)! Appropriate regulations should be enacted and enforced to make sure violators cannot profit from nefarious activities.

- Real-time updates on short interest data
- Real-time settlement on transactions
- Real-time failure to deliver data
- Real-time synthetic short data (so called "naked shorts")

- 13F filings for short positions

Additionally, the following institutional investor practices should be declared illegal and strictly enforced.

- Single side dark pool trading must be eliminated. While the utility of the dark pool can be litigated, the ability to make one side of a trade invisible to most investors by posting either a buy or a sell on the open market is unacceptable and allows for market manipulation that only impacts retail investors.
- If synthetic stocks continue to exist, then regulation/fines on failures to deliver and long periods of time on the threshold security list should incur significantly greater penalties. Sufficient so the criminals' perpetrators do not see the opportunity to break the law and profit from it because the profits are millions of times greater than the penalties.
- Additionally, investors that fail to deliver should be forced to close out positions instantaneously and have trade restrictions imposed on them.
- Skipping the line using relationships and paying for order flow to develop complex financial instruments and mitigate/eliminate obligations on synthetic shares should be made illegal.

According to a CNBC poll of US investors released in March 2021, 56% of US investors believe the US trading market is rigged. This means millions of Americans, as well as investors across the world, are impacted by the inequality in the US stock market every day. As more and more investors have entered the market during the pandemic, retail investors are witnessing the daily market manipulation by unregulated markets makers using naked shorting and failure to deliver. The US regulators cannot continue to stand idly by and watch the stock market manipulation by large institutional players. Your efforts to make the above adjustments has the ability to restore America's faith in the integrity of the US financial system. Failure to act on this pending financial crisis will result in America's loss of faith in the US financial system. If left unaddressed, I believe this crisis could very well lead to a recession and collapse of the US trading markets!

Thank you for your consideration.

/s/ Concerned Individual Investor