

From: Anthony Lathiago
To: Comments, Public
Subject: FINRA Regulatory Notice 21-19 Comment
Date: Monday, June 7, 2021 5:25:35 PM

EXTERNAL: Verify sender before opening attachments or links.

Dear FINRA team,

I notice you are welcoming comments on regulatory notice 21-19 regarding short positions.

In my opinion, the current US financial system is highly fraudulent, with the regulatory agencies being complicit. They are complicit by complacency, with years of unchecked fraud and market manipulation through naked short selling by large hedge funds like Citadel and Susquehanna being allowed to happen with impunity. The SEC and FINRA have known about this illegal counterfeiting practice for many years, with very little being done to rectify the illegality of the practice. Many countries are doing a much better job at curbing the illegal practice.

- Naked shorting (apart from the use for market liquidity purposes) is illegal. Strict measures and policies have to be introduced by regulatory agencies to ensure it does not happen.
- Short positions need to be reported daily by funds and market makers, and public notice needs to be reported daily on a public website for that purpose, for all holdings and companies in the market.
- Fines for mislabeling short positions as long positions need to be much higher to actually deter violators. Those are currently seen as a mere cost of business.
- Audits need to happen by regulatory agencies to ensure shorts and FTDs are not being hidden in options.
- Punishments need to be severe enough to ensure it does not continue, and in a timely manner.
- Large hedge funds and market makers cannot continue to be ran/controlled by the same company. They need to be broken up.
- High frequency low volume trades done in dark pools (among others) are being used to influence stock pricing. This market manipulation also needs to be clamped down on, enforced, and punished with heavy fines.

There certainly is a place for short selling as long as it is clearly defined who the short and long sellers in a trade are and the underlying security actually exists. However, this practice has become predatory in nature, with retail investors and companies being the victims.

I am thankful you are asking for input, it shows that hopefully something may finally be done in the market to combat the practice of naked shorting which is detrimental to many American businesses and investors.

I wish you luck in your future enforcement.

Antonio