

From: [A Z](#)
To: [Comments, Public](#)
Subject: Comment on Proposed Modernization of FINRA Rules and Concerns Regarding Rule 15c2-11
Date: Tuesday, June 17, 2025 10:47:03 AM

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Dear Ms. Mitchell and Members of FINRA,

I am writing to submit my comment in response to FINRA's Regulatory Notice requesting feedback on modernizing its rules, guidance, and processes to facilitate capital formation, with a specific focus on the impact of SEC Rule 15c2-11. As an engaged investor, I am deeply concerned about the adverse effects this rule has on investors, particularly those participating in the penny stock and small-cap markets. Amended in 2020 to require current issuer information OTC trading, Rule 15c2-11, while intended to mitigate fraud, has inadvertently reduced liquidity and restricted access to a diverse range of investment opportunities. The 2022 SEC Staff Report notes a decline in research coverage for small issuers, a trend exacerbated by such regulations, which limits the information available to investors and hinders their ability to diversify portfolios. This regulatory burden stifles reverse mergers—a critical growth mechanism for emerging companies—thereby diminishing the potential for high-reward investments that drive innovation and economic expansion.

Furthermore, FINRA's continued failure to address the growing investor discontent, as exemplified by recent public calls for action risks undermining the organization's credibility and effectiveness. The extension of the comment period to June 18, 2025, is a positive step, yet ignoring these concerns could lead to eroded trust, increased legal scrutiny (such as the National Association of Manufacturers' lawsuit against the SEC), and a stagnation of capital formation in the trillion-dollar Rule 144A market, as highlighted by SIFMA. I urge FINRA to prioritize investor input in its modernization efforts, balancing regulatory oversight with market needs to foster a vibrant investment environment. Failure to do so may result in broader economic consequences, including diminished investor confidence and reduced participation, which would ultimately weaken FINRA's mission to protect investors and support market integrity.

Thank you for considering my perspective.

Sincerely,

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