October 8, 2018

Hester M. Peirce, Commissioner
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Comments for File 265-13 - Market Structure for Thinly-Traded Securities

Ms. Peirce,

Bloomberg reported last week that SEC may halt trading in stocks that have not published financials for six months ("SEC Spots a Way to Starve the Most Suspicious Penny Stocks", *Bloomberg*, October 1, 2018).

Like fishing with dynamite, this approach might catch the desired target but demolish everything in the vicinity -- namely the hundreds of legitimate, profitable non-SEC-reporting issuers that publish audited financials only annually.

For example, Detroit Legal News (OTCPINK: DTRL) has operated in southeastern Michigan for 120 years. Its assets are mainly cash and real estate. It has no debt, issues no new shares or stock options, and does not promote its stock.

Despite the battleship balance sheet, hard assets, hundred-year reporting history and recent profits, trading in DTRL would halt under the proposed rule, because the issuer reports financials to shareholders only annually.

Annual reporting breaks no law or rule at either the state or federal level. Michigan, like most states, requires only annual reporting to shareholders. The Securities Exchange Act of 1934 defines DTRL as a non-reporting company, exempt from federal reporting regulations. A *de facto* quarterly reporting requirement for non-reporting companies would thus seem to violate the Securities Exchange Act of 1934.

Even if it were not a regulatory overreach, it would unduly burden small issuers. Detroit Legal News last year earned $450,000 on sales of $14.9 million. Quarterly reporting could consume most of that profit, yet achieve no regulatory benefit, since the issuer is already legitimate by any reasonable measure.

While I applaud the effort to stamp out fraud, this proposal's costs outweigh its benefits. I hope the Commission will reconsider.

Regards,

William E. Mitchell, General Partner

Mitchell Portfolio Management • 3187-D Airway Ave • Costa Mesa, CA. 92626