
From: Matt Henderson [REDACTED]
Sent: Tuesday, September 15, 2009 8:07 PM
To: OIEA; Help; ENFORCEMENT; TradingAndMarkets; Rule-Comments; OIG; CHAIRMANOFFICE; jo@nasaa.org; daf@nasaa.org; ms@nasaa.org; chris@minvest.com; president@whitehouse.gov; enator_Specter@Specter.Senate.gov; MadMoneyReplies@NBCUNI.COM; senator@casey.senate.gov; Tara_Andringa@levin.senate.gov; ibdnews@investors.com; feedback@wsj.com; bwkcustserv@cdsfulfillment.com; info@businessweek.com; bizday@nytimes.com; news-tips@nytimes.com; editorial@nytimes.com; pa16ima@mail.house.gov; Andrew.Wimer@MAIL.HOUSE.GOV; congress@citizen.org; info@nader.org; team@votnader.org
Cc: support@sogotrade.com; Juan ortiz; Maria Cammarota; James Giannino; Matt Henderson
Subject: The Day Trading Minimum Equity Requirement of NYSE Rule 431/NASD Rule 2520

To: Securities and Exchange Commission; Office of the Ombudsman, Financial Industry Regulatory Authority; NYSE Regulation Complaints and Inquiries Department; U.S. Senate Permanent Subcommittee on Investigations; Senator Arlen Specter; Senator Robert Casey; President Barack Obama; Representative Joseph Pitts; Jim Cramer; The Wall Street Journal; Investors Business Daily; Business Week; The New York Times; Public Citizen; Ralph Nader; North American Securities Administrators Association
CC: SogoTrade (Genesis Securities)
Date: September 15, 2009
Subject: Day Trading Minimum Equity Requirement

I would like to express my concern about NYSE Rule 431/NASD Rule 2520, specifically the "Day Trading Minimum Equity Requirement." I am a young (25) individual investor who uses SogoTrade (Genesis Securities) as my online brokerage firm.

The "Day Trading Minimum Equity Requirement" imposes a \$25,000 minimum account balance on any investor identified as a "pattern day trader." I certainly understand the desire of brokerages to limit their potential for losses, but it is my understanding that this rule applies not only to leverage (borrowed money - securities purchased "on margin"), but to the entirety of an investor's account. It is this restriction that I find improperly paternalistic.

Brokerages have every right to protect their own money, including placing restrictions on my ability to sell short or trade options. Whereas with a buy, an investor puts forward the value of the purchased shares as collateral, there is essentially no limit to how much the value of shares of a security sold short might in fact rise. So I concede the point that restrictions on short-selling and options trading are perfectly appropriate. But to place restrictions on my ability to assess appropriate levels of risk vs. reward with my own money? Please correct me if I am misunderstanding the issue.

This \$25,000 minimum equity requirement has the highly objectionable effect of delimiting a particular method of investing as only for the wealthy class. It is discriminatory against the majority percentage of Americans who do not have the means

to set aside \$25,000 for this purpose. Why am I being limited as to the level of risk I am able to undertake with my own money? Apparently, it's because I don't make six figures and only rich people are allowed to profit from day trading.

Unless I have mischaracterized the facts, I urge the reconsideration and revision of this offensive rule.

Matt Henderson

--- On **Tue, 9/15/09**, **SUPPORT** <support@sogotrade.com> wrote:

From: SUPPORT <support@sogotrade.com>

Subject: Day Trade Minimum Equity Call Due 9/18/09-URGENT

To: [REDACTED]

Cc: "Juan ortiz" <juan@gndt.com>, "Maria Cammarota" <mariac@gndt.com>, "James Giannino" <jamesg@gndt.com>

Date: Tuesday, September 15, 2009, 4:20 PM

Dear Matt Henderson

Your SogoTrade Account is subject to a Day Trade Minimum Equity Call of \$ [REDACTED] due on or prior to 9/18/09. The call amount is based on \$25,000 minimum Equity requirement. We hereby inform you to bring the account up to \$25,000.00 equity to continue day-trading. Your account is restricted from day-trading (4x) until the account meets the minimum requirement.

Your account has been deemed as Pattern Day Trader and is subject to meet equity requirement as a Pattern Day Trader. Please remit funds to your account in order to meet the Day Trade Minimum Equity requirement.

A Day Trade occurs when you buy and sell (or sell and buy) the same stock during the same trading day. Any margin account that executes four or more day trades/round trips within a rolling five business days has shown a pattern of day trading. Your account has been identified as a pattern day trading account and subject to the Financial Industry Regulatory Authority (FINRA) Pattern Day Trading Rules.

Please call us to discuss further at (888) 818-7646 at your earliest convenience. We have provided you with the FINRA link for more information on Day Trading.

<http://www.finra.org/InvestorInformation/InvestmentChoices/DayTradingInformation/p005906> <>

Regards,
SogoTrade Support

CC: Sogo Margin Department.