

## **SEC Roundtable**

### **Modernizing the SEC's Disclosure System**

#### **Commission's 21<sup>st</sup> Century Disclosure Initiative**

**Public Comments Due 10/22**

**Dynaxys, LLC**

## **II. Specific Issues**

### **a. The Market's Use of Disclosure Information**

#### **iii. How do investors retrieve and use the disclosure information that companies submit to the Commission?**

Thank you for the opportunity to participate in the October 8<sup>th</sup> roundtable session and to provide comments on the questions set forth in the roundtable discussion document (File No. 4-567). First, we applaud the SEC and Chairman Cox for their efforts to plan for much needed modernization. It is clear that evolution and innovation in the financial marketplace has vastly outpaced the SEC's ability to leverage infrastructure, technology and personnel to fulfill its mission of protecting investors, maintaining orderly markets and facilitating the formation of capital. Thoughtful planning and looking to the world market for best practices and ideas is important to determine the business requirements for the SEC disclosure initiative and provide guidance for development of the new IDEA technology platform.

We would like to address the question of disclosure from the individual investor's view point. Since the individual is the lowest common denominator from an investor perspective, if we meet their requirements we should by default address the requirements of many larger investors. The SEC has an opportunity to level the playing field by providing individual investors the same access to information, data and tools that are available to Wall St. and others. With excellent access to timely and accurate information, all investors will be able to make better investment decisions.

We suggest adding an objective for the disclosure initiative and thus the IDEA platform to make available at least 10 years of historical data.

### **Retrieval**

Investors require easy access to filing data. This includes current data as well as historical data. Historical data for at least the past 10 years should be available. Data should be immediately usable with no rekeying, manual input or reformatting. The data must be available to investors in real-time concurrent with filing. Investors will need the ability to be notified electronically when companies of interest to them have filing activity. Investors need the ability to easily search online (by various

categories such as industry, company (s), time) and quickly retrieve data online and by other methods such as File Transfer Protocol (FTP) and Real Simple Syndication (RSS).

### **Use of Disclosure Information**

Investors will use the publicly available data to research and understand the performance of stock as well as company performance to guide their investment strategies. They will use the SEC data to gain business intelligence such as:

- Financial and stock performance
- Operational performance
- Risk assessment
- Growth potential
- Management team and Board activities

Investors will need to be able to compare and contrast performance across and within industries, companies and time. The SEC data must be “intelligent” and thus useful beyond the application that houses it. The ability for investors to analyze information with features such as drill down and roll-up, slice and dice will be needed. Filing data should be standardized so that it can be used and shared by investors globally.

Given the importance of diversification, investors will ultimately need access to data for a portfolio investment options. Visibility to performance beyond equity investments, such as mutual funds, will also be required.

Structured, standard- based, formatted, intelligent data is required by investors to be able to adequately assess risk and understand performance. Such data will enable:

- Transparency
- Accuracy
- Reusability
- Reliability
- Accessibility

Investors will need the ability to easily and swiftly retrieve, analyze, compare, collaborate and share data/findings.

Before closing, we have a question regarding the Final Report of Initiative due December 31, 2008. Will public comment be solicited regarding this report/plan and if so what is the timeframe?

We are pleased to contribute our comments and hope that they will be helpful as the SEC develops its plan. Thank you for your consideration.