SEC Letter S7-01-23

I am a retail investor, and don't believe exemptions should exist for Market Makers. According to Section G, such exemptions would exist to allow increased ability of designated market makers to hedge, or sell short to take position against the investment of the individual using the market maker's service. It’s hard to believe that this is a policy that would benefit small investors, and in fact, would take information away from them, providing less clarity to their position, particularly with institutions that work in conjunction with a hedge fund, and would have access to information to act for or against those retail investments.

There will always be inherent risk involved in the exchange of securities, but I don't believe allowing hedging and/or liquidity enhancing positions would help small investors retain value in their own investments. After the controversial events of January 2021, I don't believe that markets will act in the best interest of their customers, and when faced with decision, will act in their own best interest, insofar as prohibiting a market to exist at all for a particular security if it does not exist in a position positive for the Market Maker.

Any lack of registration leaves room for manipulation and abuse. Market Makers and hedge funds can act with more information and speed than any household investor, and refusing to implement provisions for adequate reporting of securities sales is a step in the wrong direction to maintaining fair and equitable markets for all investors. I would urge the commission to reconsider the section of the newly proposed rule. This should be a free market, not a ‘pay to play’ casino.

Thank you.