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OFFICE OF THE SECRETARY

Dear SEC,
Hopefully I am not too late to comment. I am retired, but I have been a series 7 & 63 Broker, Certified Financial Planner. I have an MBA and a degree in Math from Stanford. I want to object to High Frequency Trading in three areas, and I realize that all are not under the purview of the SEC.

1. High Frequency Trading is unfair
I am an individual investor. I have no chance against someone or some company that can trade at a millionth of a second. Let me give a soccer analogy. Let's say I am playing one on one soccer. But the rules are that when I can take one step, my HFT opponent can take a million. Who is going to win every time? HFT.

2. Manipulating the market
HFT is some 2/3 of market volume. Can these people manipulate the market? Of course they can. The SEC should fund about 3 simulations done by the Math Departments of 3 schools. Let one team of people trade at a millionth of a second and create 2/3 of the market volume. Let the other team trade at once a second and control 1/3 of market volume. See which team can tug the market up and down.

3. Generating Capital
Let's remember the fundamental reason for Joint Stock Companies. It was to raise capital and spread risk. The Dutch first did this with their trading ships. Naturally for a variety of reasons the people originally owning the stock on a particular ship might want to sell it. Others might want to buy. Thus, there is a reason for trading. But the fundamental reasons for stocks are to raise capital and spread risk. The objective is not to make traders rich. It is to make investors rich. The traders at a millionth of a second are just reaping profits on fluctuations that there fast computers can take advantage of. No company wants to raise capital for a millionth of a second.

Sincerely Yours,

William Thayer
[redacted]

SEC

Elizabeth M Murphy, Secretary
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