SECURITIES AND EXCHANGE COMMISSION 17 CFR Part 240, 242, and 249 [RELEASE NO. 34-94313; FILE NO. S7-08-22] RIN 3235-AM34 Short Position and Short Activity Reporting by Institutional Investment Managers

Q3: Hedging Information: When reporting on Proposed Form SHO, Managers would be required to identify whether the gross short position reported is fully hedged, partially hedged, or not hedged.

o Please describe any views regarding the reporting of hedging information as proposed by the Commission and address the pros and cons, as applicable.

- What would be the benefit of three defined categories over a percentage? In my opinion providing a Hedged (%) metric regarding the short position would be far more actionable information. I understand that this would be a floating metric as the underlying security moves in price, however it is 2022 folks. This is easily programmable into an algorithm, heck I could do it myself if given the proper source data. The cons to three defined categories is that you truly don’t know the degree of the partial hedge. You are stuck with binary options hedged/not hedged and then no man’s land. This does not provide me with actionable information.

o Do Managers generally know whether a positon is fully hedged or partially hedged?

- If a manager does not know the degree to which their short position is hedged then they should not be a manager.

o Is there a common understanding among Managers regarding what fully hedged or partially hedged means? Are those understandings different than the Commission’s proposed instructions and discussion above? If there is a common understanding or definition, please describe it.

- Fully hedged means your position is delta neutral, if you are not delta neutral then you are partially hedged or not hedged at all.

Q6: Securities Covered: Under Proposed Rule 13f-2, Managers would be required to report to the Commission certain short sale related data, as described above, for equity securities consistent with the Commission’s short sale regulations (i.e., Regulation SHO).

o Should reporting Managers be required to report short sale related data for a different universe of securities than equity securities consistent with Regulation SHO? If so, please explain why and describe the universe of securities that would be more appropriate.

- The reporting of short sale data should not only be mandatory but should also be public for all market participants and should extend beyond equity securities to include ETFs, options, swaps and any other derivatives that may affect the underlying security. All relevant data should be held in a universe that is open source and able to be audited by any individual investor with the desire to do so. The data should be accurate, up to date and reflective of the aggregate position on each security.

o Should fixed income securities be included under Proposed Rule 13f-2? If yes, explain why and describe what costs and benefits might be associated with such reporting.

- All investment vehicles including fixed income securities should be included under Proposed rule 13F-2. The reason for this is that all exposure related to an underlying security should be publicly available. The increased reporting will come with the costs of higher surveillance and server costs. However, the benefits would be a clearer and fuller picture of the exposure related to the underlying security. This will allow for any positions that are excessively risky to be monitored effectively and to be curtailed before the position poses a systemic risk. The only reason to not make the data public would be to reduce transparency. The reduction of transparency favors only the most powerful market participants.

o Should other securities be included under Proposed Rule 13f-2? If yes, identify such securities, explain why, and describe what costs and benefits might be associated with such reporting.

- All short sales from all investment vehicles should be reported on all securities.

o ETFs would be included under Proposed Rule 13f-2. Should ETFs be excluded from Proposed Rule 13f-2? If yes, describe why. If no, explain why not.

- YES! ETFs should most definitely be included in Proposed Rule 13f-2. ETFs allow for exposure to be extended beyond the underlying security. When used improperly an ETF can be used to leverage a short position to far greater than the market cap of an underlying security. This can be done by unbundling the ETF via shorting the entire ETF and then going long on all the ETF’s holdings other than the security you desire to be short. This is a risk to the market. XRT is a Retail ETF that has seen short interest between 300% and 1000% of the shares outstanding within the last few months (according to available data on ETFchannel.com). This level of shorting points to these ETFs being a source of providing additional short pressure on an underlying security.

Q7: Economic Short Positions: Proposed Rule 13f-2 requires that a Manager calculate its gross short position in the equity security in determining whether it meets the Reporting Thresholds.

o Should a Manager also be required to include short positions resulting from derivatives in determining whether it meets the Reporting Thresholds? If so, explain why, and describe any associated costs and benefits to doing so. If not, explain why not.

- A manager should report the aggregate of all their short positions at the end of each trading day. ETFs and derivatives alike. The reason for this is that these positions, if left unchecked, can create disproportional risk assessments by other market participants. If the short positions resulting from derivatives are not reported, then how would one know the true risk of a position before entering? I would also be careful as to where the reporting threshold is set. Just as dark pools were intended for large block trades we have seen small trades be routed through them to mitigate the impact of retail orders.

Setting a threshold allows for unethical market participants to find ways around thresholding. It is best to make the threshold ALL MARKET ACTIVITY by managers.

♣ Should only certain derivative positions be included? If so, which ones and why?

- All derivative positions should be included.

♣ Does excluding derivative positions create opportunities to avoid triggering the Reporting Thresholds through other economically equivalent instruments? If so, please explain.

- Yes, by excluding derivatives from the reporting thresholds market participants would not fully understand the scope of the aggregate positions regarding an underlying security. The utilization of swaps, Deep out of the money puts/calls and ETF derivatives allow for a position to avoid triggering a threshold list until it is too late to mitigate risk to the market. Hence January 2021.

Q8: Short Position Information: Under Proposed Rule 13f-2, Managers that meet a Reporting Threshold are required to report their end of month gross short position in the equity security.

o Should a Manager also be required to separately report its end of month gross short position in derivatives, including, for example, options? Please explain.

- Yes, a short position should include all derivatives tied to an underlying security as any change in price to said security could have drastic impacts on the short position. In times of extreme volatility proper margin will be difficult to calculate if an aggregated short position is not readily available.

o If yes, should only certain derivatives be reported? Please explain.

- All derivatives should be included.

o Please describe any views related to the pros or cons associated with reporting end of month gross short positions in derivatives.

- End of month is better than where it stands today. Why does it need to be end of month though? The positions should be reported at the end of the week or perhaps upon settlement (T+1 for options and T+2 for equities). The delay in making data public reduces transparency. The markets should be simple, transparent and fair.

Q10: Indirect Short Positions or Short Activities: Managers meeting a Reporting Threshold would be required to report a gross short position in an ETF, but would not be required to consider short positions that the ETF holds in individual underlying equity securities that are part of the ETF basket in determining whether the Manager meets a Reporting Threshold for such underlying equity securities that are part of the ETF basket.

o Should Managers be required to consider short positions that the ETF holds in individual underlying equity securities that are part of the ETF basket in determining whether the Manager meets a Reporting Threshold for such underlying equity securities that are part of the ETF basket? If yes, explain why. If no, explain why not.

- Yes, if a manager is short a security and short an ETF that holds said security the aggregate risk exposure of the position should be used when determining if the manager meets the reporting threshold. Why, because if the reporting threshold only looks at part of the picture, then it is an inherently flawed threshold. It is being designed to be easily avoided.

Q11: Frequency of Reporting: Under Proposed Rule 13f-2, a Manager that meets a Reporting Threshold must file Proposed Form SHO with the Commission within 14 calendar days after the end of each calendar month.

o Is monthly reporting by Managers appropriate? If so, explain why. If no, explain why not and describe an alternative frequency of reporting that is more appropriate.

- Bi-weekly at the latest and preferably at the end of each trading week/day if possible. Given the recent volatility across the markets, beyond just retail “meme stocks”, but also in blue chip companies and entire indexes we are experiencing unprecedented levels of volatility. This should be met with increased frequency of reporting to have a fine-tuned understanding of the day-to-day changes in the market.

o Does reporting within 14 calendar days of the end of the calendar month provide reporting Managers sufficient time to accurately report the short sale related information as described in Proposed Rule 13f-2? If no, please explain why not and describe any suggested alternative timeline(s). Alternatively, is the 14 calendar days after the end of the calendar month reporting period for Managers too much time? If so, please explain why and describe any suggested alternative.

- Way too much time. I have seen FTD data released weeks ahead of schedule and the data was accurate. This tells me the data was intentionally withheld for a period for no valid reason. If the data is available, it should be made public. The only reason to not make the information public would be to reduce transparency. The managers know exactly what is in their portfolio before they go to bed each night and could easily report that into a centralized server. If the short position is a truly healthy short position and the company is over-valued in the eyes of the manager, then there should not be any hesitancy to make this information public.