S7-18-21
I would like to express my support for the SEC's proposed rule regarding the requirement for more frequent disclosure of short positions. It has become clear that the average retail investor has been put at an inherent disadvantage by hedge funds who have access to seemingly unlimited funds and can manipulate the price in such a manner that actual price discovery is almost impossible. By requiring 15 minute declarations of short positions, the playing field can be made somewhat more level. I understand that there will be additional costs associated with the new reporting requirements, but this seems to be a justifiable expense in order to make more transparent and equitable markets for all.

The history of the market is replete with stories of new companies that have developed a technology or product and were driven out of business by predatory short sellers who were able to purchase the innovation for pennies on the dollar, or worse, allowed the technology to die an early death to protect legacy companies friendly to hedge funds. Short selling is not investing. It is pure speculation. If this occurred in a vacuum the deleterious effects would be minimal. However as the price of a stock is directly tied to shorting unnatural artificial forces can overwhelm the natural price discovery of a company's stock price. Even more insidious is the concept of failure to deliver shares. When a hedge fund borows stock to sell short but fails to locate and ultimately fails to deliver stock to the buyer, the float of the stock is diluted. This leads to a myriad of problems including corporate governance inequities, tax implications (in the case of dividend distribution), and ultimately the undermining of faith in the markets.

The current retail investor is smarter, more dedicated, and more educated than ever before. Clear transparent rules governing markets allows for the public to work in concert with the SEC and other regulating bodies to ensure that the markets are operating in efficient, fair and equitable ways. We have learned how damaging unreported shorting and lending activities can be. It remains unclear how much the meme stock craze of 2021 became a major catalyst for providing systemic risk to the markets. However, at its heart lies unreported, irresponsible, shorting practices that can not be allowed to go on. Passing this rule is a small step in bringing clarity, and order to an otherwise reckless ecosystem.