Dear Members of the SEC,

I am writing to express my support for the comment letter submitted by Alex Cohen, Dave Lauer and We The Investors, regarding a proposed rule that seeks to ban payment for order flow (PFOF) in the securities industry. I strongly believe that this practice “distorts order routing decisions, is anti-competitive, and creates an obvious and substantial conflict of interest between broker-dealers and their customers.” as stated by Ken Griffin’s Citadel Securities in 2004. I may not be a career investor but when I see someone as influential and powerful as him, I listen.

PFOF was created by the infamous Bernie Madoff, who orchestrated the largest Ponzi scheme in history. Given the well-known fraudulent activities of Madoff, it is deeply concerning that PFOF remains a common practice in the securities industry. The fact that such a practice is still in use, given its origins, highlights the need for regulatory intervention to protect investors and ensure a level playing field for market participants.

Furthermore, PFOF undermines the integrity of the markets and has a negative impact on the overall economy. By incentivizing brokers to route orders to venues that pay the highest rebates, rather than the ones that offer the best execution quality, PFOF distorts market prices and impairs market liquidity. This, in turn, can harm the economy by reducing investor confidence and hindering capital formation.

Therefore, I urge the SEC to take prompt action to ban PFOF and promote fair and transparent practices in the securities industry. More than anything I plead that the SEC also look into immediately addressing Fail-to-Delivers. FTDs occur when a seller fails to deliver securities to a buyer within the specified time frame after a trade is executed. This can lead to a situation where investors who believe they own shares of a particular security are unable to exercise their rights and may suffer financial losses.

Furthermore, FTDs can be used to artificially suppress the price of a security, creating an unfair advantage for short sellers and potentially leading to market manipulation.

The SEC has a responsibility to protect investors and ensure fair and transparent markets. A ban on FTDs is a necessary step towards achieving these goals. By preventing the use of manipulative practices, the SEC can promote confidence in the markets and protect the interests of investors.

I urge the SEC to take swift action to ban the use of FTDs and ensure a level playing field for all market participants. As written in the SEC’s mission statement, the SEC is required, “to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation.” Personally, I do not feel that this has been performed and maintained well, but I have confidence in some to most of the leadership team currently at the SEC and believe that if the above recommendations are adhered to, then we will be in the transparent and fair market we all seek and want.
Thanky you for your time and consideration.

Jackson Schueler, concerned Household Investor.