Dear Secretary of the Commission,

I am writing for either a change or removal of the Pattern Day Trading (PDT) rule. I believe that with this new economic environment, and the accessibility of investing tools and platforms the PDT rules is a very limiting factor. It was original put into place to protect investors from making mistakes costing them thousands to potentially millions in losses.

At this time with the new technology and advancement the retail trader is able to be involved in the market at speeds much faster than methods of the past. The current PDT rule has a few limiting factors as follows:

1. If a retail trader was to open 5 or more smaller positions and if each position drops to a loss of 50% the trader would only be able to safely close out of 3 of those positions with an account value less then $25,000 meaning that it would incur a max loss on 2 of the 5 trades. Then going forward for the next 5 trading days all trades that go into the negative will be max loss trades. The PDT rule in this case means that it completely eliminates a trader's ability to manage risk and to manage losses on positions. It punishes a trader for actively monitoring their account, while seeking to minimize losses.
2. If a retail trader was to open 5 or more trades and this time all trades reach a minimum threshold of 50% profit the PDT rule again only allows the trader to close 3 of those positions. This now prevents the trader from being able to manage their trade to remove risk from the trade. It then adds exponential risk to the trade in that the remaining positions that are at a profit zone of 50% or greater will not have the potential to lose all profits and turn into a complete loss for the retail trader. The PDT rule again removes the trader's ability to manage risk in the account and prevent them from taking profits on winners and repositioning into a new trade as market conditions may have change or a different strategy needs to be employed.
3. Finally, most retail traders will take years before being able to reach the $25,000 PDT requirement. In most cases it can take a regular retail trader between 15 to 20 years as most retail traders are at the minimum adding $100 per month to their account. 15 to 20 years of a waiting period before being able to trade and invest without artificial limits that forces traders to take full losses on trades because this rule acts like no one has any idea of how to manage risk.

The PDT rule has lost its original purpose due to the advancement of technology and the widespread availability of education online that can show you and teach you the basics of how to manage risk and how to find trades that at significantly lower risk as a way to learn how the market works and how trades move in the current economic environment.

There are two things we can do to fix this the first would be to completely remove the PDT rule as it no longer protects investors and is more of a wall that prevents them from having the ability of making any profits in the long term until they reach $25,000 which in the majority of cases can take between 15 to 20 years with minimal deposits.

The second option would be to reduce the PDT $25,000 requirement down to $2,000 which is the same amount needed to be able to use margin inside of an investment account. By placing it at the $2,000 level it means that an investor in most cases will be able to have at least 6 months to 1 year of doing smaller safer trades while getting a full grasp on how to manage risk.

In conclusion, I respectfully request the SEC to have a look at the PDT rule and think about making a change to it so that retail investors are able to participate more in the market and be given back the ability to mange their own risk and positions, allowing them to efficiently take profits and minimize losses.

Thank you for taking the time to bring this issue into consideration.

Sincerely,

Brian Johnson