Re: Petition for Rulemaking Pursuant to Rule 192(a) of the Commission's Rules of Practice — Mandatory Upfront Point-of-Order Disclosures Regarding Retail IPO Share Allocations and Syndicate Disparities

Dear Secretary Countryman:

Pursuant to Rule 192(a) of the Securities and Exchange Commission's ("Commission") Rules of Practice (17 C.F.R. § 201.192(a)), I respectfully submit this petition requesting that the Commission initiate rulemaking to require registered broker-dealers to provide clear, standardized, point-of-order disclosures to retail investors regarding how Initial Public Offering ("IPO") share allotments are determined and the material disparities in allocation pools across brokerage firms.

I. Statement of Interest and Factual Background

As a retail investor participating in public equity markets, I recently submitted an indication of interest / conditional offer to purchase shares in an IPO through my brokerage account at E*TRADE Securities LLC. Upon pricing and allocation, my order was filled at only **7%** of my requested share amount. Meanwhile, other retail brokerage platforms participating in the same offering provided substantially higher allotment percentages to their retail clients.

Prior to seeking regulatory intervention, I contacted E*TRADE directly via its online messaging system to request clarification regarding the disparity in allotment and lack of transparency regarding the process. As of the date of this petition, I have received **no response** from the firm.

While retail broker-dealers generally include broad disclaimers in lengthy offering agreements stating that share allocations are not guaranteed, investors are not clearly informed at the point of order entry that:

1. Total retail share pools vary dramatically from one brokerage house to another depending on syndicate role and internal distribution policies;
2. Submitting an IPO request through a firm with a smaller syndicate allocation or restrictive internal formula can result in a fraction of the fill available at competing retail brokerages; and
3. Brokerages are under no obligation to disclose their relative retail allocation methodology or respond to post-allocation inquiries regarding fill disparities.

II. The Need for Standardized Point-of-Order Transparency

Because IPOs occur far less frequently than routine secondary-market trades—or even major consumer transactions such as residential real estate purchases—retail investors

have limited opportunities to participate and face significant opportunity costs when locking up capital in conditional IPO orders.

In other consumer-facing industries, regulators and market reforms have recognized that burying key structural terms in fine print fails to protect consumers. For example, in residential real estate transactions, agents are now required to provide explicit, upfront written disclosures clarifying that broker commissions are negotiable and not set by law before a consumer commits to representation. Retail investors participating in public offerings deserve an equivalent standard of upfront transparency before committing capital to a conditional IPO offer.

III. Proposed Rulemaking Action

I respectfully request that the Commission adopt a rule—or direct the Financial Industry Regulatory Authority ("FINRA") to amend its rules governing public communications and new issue allocations (including FINRA Rules 2210 and 5131)—to mandate the following protections for retail IPO orders:

1. **Mandatory Pre-Order Disclosure Box:** Require broker-dealers to display a prominent, plain-English disclosure immediately prior to order submission stating that:
    - IPO share allotments are not uniform across brokerage firms;
    - Other broker-dealers participating in the same offering may receive substantially larger retail share pools and provide higher fill rates; and
    - Investors may review the prospectus "Underwriting" table (with a direct link to the Form S-1 or 424B4 filing on EDGAR) to compare underwriter share commitments before committing funds.
2. **Disclosure of Allocation Methodology:** Require broker-dealers offering retail IPO access to publish a clear summary of the criteria used to allocate shares among retail accounts (e.g., pro-rata distribution, account tenure, asset thresholds, or random lottery).
3. **Timely Response Standard for Allocation Inquiries:** Require broker-dealers to provide a timely written response when a retail customer submits a formal inquiry regarding an IPO allocation calculation.

IV. Conclusion

Mandating clear, upfront point-of-order disclosures imposes minimal compliance costs on broker-dealers while empowering retail investors to make informed decisions about where

to hold capital and submit IPO requests. I respectfully urge the Commission to publish this petition for public comment and initiate rulemaking to establish consistent transparency across all retail IPO platforms.

Respectfully submitted,

/s/ Corey Cohn