Dear Sir or Madam,

While the implementation of the “Pattern Day Trader” rules was designed to mitigate the risk associated with such trading, it inadvertently added to the risk exposure of non-pattern investors in a particular way. An investor who regularly opens a few stock positions each morning with the intent of holding each of them for a duration of several days to several weeks is unable to place stop loss orders on those positions during the day they were bought without incurring the quite substantial risk that 4 or more of the positions will be stopped out on the first day in any given week causing the investor to be declared a pattern day trader. As a result, the pattern day trader rule has the unintended consequence of encouraging active investors to practice very imprudent and risk enhancing practices.

I would encourage the SEC and all related interested parties to consider amending the rule to allow for such type of investing. Perhaps one would only be declared a pattern day trader after more than 4 profitable day trades within 5 business days, but also allowing for each brokerage firm to designate a particular client as a pattern day trader, as they are now allowed to do, in order to regulate poor day traders who just can’t seem to get those 4 profitable trades.

Sincerely,

Michael Wilson