

Congress of the United States

January 28, 2021

Allison Herren Lee
Acting Chairwoman
Security and Exchange Commission
100 F Street NE
Washington, DC 20549

Chairwoman Lee:

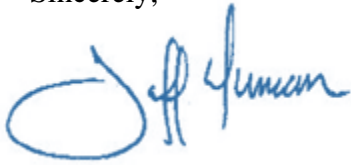
Recent events have raised concerns regarding the ability of financial services institutions to restrict the trading activity of retail investors in a way that favors one party over another. By now we are all familiar with the situation occurring with GameStop Corporation Common Stock (GME). While hedge funds and other privileged investors were afforded the ability to short in excess of 120% of shares outstanding, retail investors responded to this opportunity and subsequently bought the stock to a level that triggered a “short squeeze.” In the midst of this and in the name of reducing “volatility,” certain brokerage platforms restricted the buying, but not the selling of GME and other securities even though the New York Stock Exchange already has mechanisms in place through the use of limit up/limit down pauses on trading to limit volatility and provide a pressure release mechanism to the markets in times large market fluctuations. More concerning still is the relationship between the trade clearing firms that manage transactions for these brokerages and their counterparty interest in these short positions.

These drastic and potentially illegal market access changes appear to disproportionately benefit large institutional investors at the expense of individual retail investors. Our interest is in maintaining a fair and equal playing field for all Americans and market participants. This leads to the following questions:

- Is it appropriate for financial services institutions to restrict the purchase but not the sale of a particular stock in response to market changes spurred by honest and freely available information?
- More specifically, does a broker preventing a retail investor from purchasing a stock such as GME constitute market manipulation given possible conflicts of interest, and should these sorts of actions be permitted?
- Will the SEC commit to conducting an investigation to determine whether any of these market access decisions were made after consultation with entities that had a financial interest limiting retail investors’ ability to purchase stock in a specific company?
- If so, how does the SEC plan on protecting individual retail investors from market manipulation resulting from financial institutions placing restrictions on the purchasing of a specific company’s stock?

Thank you for looking into this important matter and we look forward to your prompt response to these questions.

Sincerely,



Jeff Duncan
Member of Congress



Ralph Norman
Member of Congress



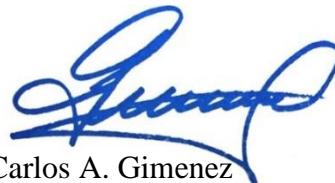
Rick Crawford
Member of Congress



Ron Estes
Member of Congress



Jody B. Hice
Member of Congress



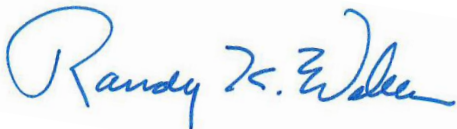
Carlos A. Gimenez
Member of Congress



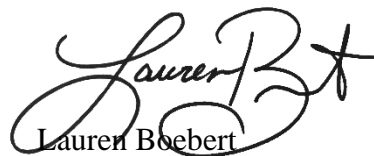
W. Gregory Steube
Member of Congress



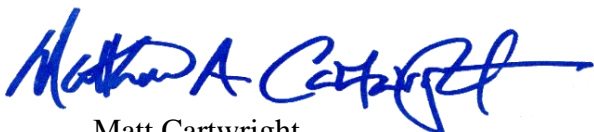
Daniel Webster
Member of Congress



Randy K. Weber
Member of Congress



Lauren Boebert
Member of Congress



Matt Cartwright
Member of Congress



Jaime Herrera Beutler
Member of Congress