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U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-2521

Submitted via e-mail: PerformancePlanning@sec.gov

Re: Comment Letter on the SEC's Draft Strategic Plan

Dear Mr. Mohan:

The Commission recently published a draft strategic plan for years 2014-2018 and invited public comment. Our perspective supports the interests of publicly traded issuers comprising our $1.2 trillion client base in US equity markets. ModernIR is the No. 1 provider of Market Structure Analytics to issuers in US markets. We also endorse views offered by Jeff Morgan, CEO of the National Investor Relations Institute (NIRI), in a letter to you dated Mar 14, 2014[1]. I have been a member since 1995, and many of our clients are members of NIRI, the investor-relations profession's trade association.

Issuers are the foundational constituency in public equity markets and should be core to rule-making affecting how their shares trade hands. In the United States the public exchange of ownership in shares of companies traces roots to May 1792, when 24 brokers confederated under a buttonwood tree in lower Manhattan, later becoming the New York Stock Exchange.

Paraphrasing last century's Spanish philosopher George Santayana, who admonished students of history that those who fail to learn its lessons are doomed to repeat its mistakes, the agreement in 1792 contained two sentences committing the compact's parties to preference and a minimum commission. Preference is today in effect forbidden by rules and instead of a minimum, the Commission has set a ceiling on access fees. Regulation National Market System alone is over 500 pages.

Whatever course the Commission takes should emphasize simplification, and a careful examination of the history that made American equity markets the pride of capitalism for 200 years. If what we're doing today is the opposite of what led to past success – complexity and forced uniformity over simplicity and vibrant diversity – the Commission should be unafraid to issue itself a cease and desist order.

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1 http://www.niri.org/Other-Content/sampledocs/NIRI-Comment-Letter-SEC-Strategic-Plan.aspx

We'll offer two suggestions fitting into this part of the Commission's draft plan:

Strategic Objective 1.1: The SEC establishes and maintains a regulatory environment that promotes high-quality disclosure, financial reporting, and governance, and prevents abusive practices by registrants, financial intermediaries, and other market participants.

Trading-data disclosure is, plain and simple, deplorable. Before the Commission adopted Reg ATS, the Order Handling Rules, Decimalization and Reg NMS, if a public company traded at the NYSE, for instance, most trades met there and the resulting trading data was largely complete.

Now, the Commission requires all markets to be connected. As a result, a fraction of trades occur at an issuer's exchange (and vast amounts are driven by parties with no vested interest in outcomes). But the Commission made no provision for furnishing issuers with the data they are due as trading fragmented across 60 market centers and competing exchanges. If trades execute away from the exchange, the issuer cannot know the responsible market participant. It's functionally improper that the location of a trade determines its visibility to the issuer. Rules meant to increase intermediary competition have unwittingly disenfranchised the public companies whose shares underpin the entire market, and by extension their shareholders, to whom Boards owe a fiduciary duty to comprehend and monitor the forces driving equity value.

This was a mistake that the Commission can rectify. Here's how: If an issue trades a million shares daily, adding up the volume by market-participant should equal a million shares, and no broker, dealer or alternative trading system should be exempt from disclosure. Volume should include both long and short components (both are already furnished to FINRA). Give FINRA responsibility to compile and provide these data on a one-day delay to interested constituents (costs covered of course). This is transparency. Twenty-first century markets in which trades match in 300 microseconds surely can deal with a one-day delay. Any participants who object must have something to hide.

Second, comporting with what Jeff Morgan noted in NIRI's comment letter referenced above, public companies have the same unamended institutional-ownership disclosure standards created under Section 13f in 1975. How many rules have since unfolded affecting exchanges while this one remained static? It's inexcusable that issuers, an enumerated constituency in the Securities Act, have been overlooked for so long in rule-making. Institutions should post ownership positions, long and short, monthly. Complaints that this reporting standard is burdensome for them is simply laughable in a marketplace so awash in instantaneous messaging traffic that less than one trade executes for every hundred quotes. Regulators who designed today's market and fostered these flaws should take appropriate corrective action in response to these reasonable and logical requests.

The current Commission is presented with epochal opportunity to foster improvements in disclosure. Thank you for the chance to comment on them. If we can provide any additional information that would be useful to the Commission or its staff in this matter, please contact me at 303-377-2222.

Very truly yours,

Timothy J Quast
President