**[Sample Letter for NYSE Companies]**

Mr. Brent J. Fields

Secretary

U.S. Securities and Exchange Commission   
100 F Street, NE   
Washington, DC 20549-1090

**File No. 4-689; Petition for Rulemaking Pursuant to Sections 10 and 13(f) of the Securities Exchange Act of 1934**

Dear Mr. Fields:

On behalf of \_\_\_\_\_\_\_\_\_, a company listed on the New York Stock Exchange, I am writing in support of the rulemaking petition submitted by NYSE Group, Inc. and the National Investor Relations Institute (NIRI) on October 7, 2015. We join the NYSE Group and NIRI in urging the U.S. Securities and Exchange Commission to promulgate rulemaking pursuant to Sections 10 and 13(f) of the Securities Exchange Act of 1934 to require the periodic public disclosure of short-sale activities by institutional investment managers. We are pleased to see that the Biotechnology Innovation Organization and a growing number of public companies also have urged the Commission to adopt a short-position disclosure rule.  **[Optional paragraph to include if your company also supports NIRI’s 2013 rulemaking petition to cut the 13(f) reporting period for long positions. Additional language that relates to long position reporting is highlighted in the paragraphs below.]**

We also support the 2013 rulemaking petition (File No. 4-659) submitted by NIRI, the NYSE Group, and the Society of Corporate Secretaries and Governance Professionals that urges the SEC to shorten the current 45-day period for 13(f) filers to report their long positions. Investors, issuers, regulators, and other market participants all would benefit from modernizing the 13(f) rules to require short position disclosure as well as the timelier reporting of long positions.

**[Here are examples of arguments from the rulemaking petitions and other issuer letters to include in your company’s letter.]**

U.S. public companies now operate in an environment of great transparency governed by stock exchange rules and federal and state regulations. Unfortunately, the same level of transparency does not apply to the institutions that own the vast majority of the shares of public companies. While Congress and the Commission have accelerated various corporate deadlines (Forms 4, 8-K, 10-K, and 10-Q) to ensure that investors receive more timely information, the 13(f) reporting rules have not been updated and leave a serious gap in the regulation of short-selling. Given the advances in recordkeeping and reporting technologies in the more than 30 years since the 13(f) reporting requirements were first adopted, there is no practical reason why institutions cannot provide public disclosure of their short positions [as well as more current information on their long holdings].

In accordance with its mission, the SEC should require the same level of disclosure from all 13(f) institutions (investment funds, hedge funds, activists etc.) that maintain short positions as are required of the funds that maintain long equity positions. We believe that short sale reporting should be publicly available in the same manner as long position reporting.

The current lack of transparency around short selling hurts retail shareholders, who typically don’t have the same information resources as institutional investment managers and are more likely to be misled by misinformation about a company. If both long and short investors are required to disclose their positions on a periodic basis, all market actors, including individual investors, would have more information to help them make better informed trading decisions.

Other global markets, including the United Kingdom, France, Spain, and the European Union, have adopted rules that require institutions to report net short positions to regulators and to the public.

As other commenters have noted, this gap in disclosure increases the risk of short-selling abuses that are harmful to U.S. companies and investors. These abuses can drive down the value of growing companies and leave them with less capital for hiring employees, investing in R&D, or providing dividends to their shareholders.

**[Include examples of particular short-selling abuses that your company has experienced.]**

Requiring the disclosure of short positions would help prevent market manipulation and other abusive trading practices. Transparency is the best way to combat these trading behaviors – a disclosure regime for short sellers would shine light on the motivations of short sellers and provide valuable information to issuers and other investors. A short disclosure rule would greatly help the Commission, which has limited enforcement resources, police market abuses and other fraudulent conduct.

**[Explain how the lack of transparency has inhibited your company’s investor relations efforts. Here are some examples of text that your company could include.]**

Public disclosure of short-sale activity would help our company and other investors better analyze market movements in our securities. While we now utilize the aggregate short-sale data provided by the exchanges to evaluate the market and anticipate developments with respect to our securities, we don’t know who is shorting our shares and thus are unable to engage in a dialogue with short sellers unless they choose to surface publicly.

Our company has an active investor outreach program and we value the views and insights of all our shareholders. Identification and disclosure of institutional investment managers who hold positions in our stock, whether long or short, would improve our understanding of their views and help us communicate more effectively with these investors.  
  
The lack of short-position transparency is a significant problem when our company has meetings with investors. Because short positions are not disclosed, we have no way of knowing whether a particular investor has shorted our securities. While we are willing to talk with short sellers and address their questions about our business model, we should know before sitting down at the table with an investor if they have a position, and the nature of their position.

**[Conclusion]**

We join NYSE, NIRI, and other public companies in urging the SEC to take prompt action to adopt disclosure requirements for short sellers [and to modernize the long-position requirements].

[We urge the Commission to draft a rule to overhaul the 13(f) reporting system to promote greater equity ownership transparency.] Once such a rule is proposed, institutional investors, public companies, and other market participants could offer their views on how this draft rule should be revised to address any concerns while still carrying out the SEC’s mission to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation.

If you have any questions, or if we can provide any additional information that would be helpful to the Commission or its staff, please feel free to contact us.