The Supreme Court of the United States just recently, correctly decided not to review the US vs Newman Insider Trading case. In response to this decision, there was a well written commentary on the decision here on Bloomberg by Matthew Levine.

Given my interest at the near 2 year anniversary of my destroying the SEC in the ridiculous case they brought against me, (you can read more here and here) , I chose to send the author an email with some of the pieces I thought were missing (some edits from that email have been made)

It covers what I think is absolutely missing when it comes to Insider Trading and why the failings of regulators have far greater consequences on our economy then we realize.

Your article was very fair. But it missed the ultimate point. **If you want to make it fair and equal for everyone, all regulators have to do is 2 things**

1. Publish the rules as the DOJ and SEC see them

The challenge for any investor of any size is that they don't know the rules and have no place to find them No one knows what insider trading is. You had to qualify all your comments as a result

Which also means regulators can charge anyone with anything and over power defendants with tax payer money

If the goal is to make markets fair, publish guidelines , obviously not laws, that anyone can look at to know if they are following the guidelines or not

Lawbreakers who have broken the law should know they have broken the law. I doubt that people at the end of a tippee chain know they have broken any laws or even have considered it. How could they ?

2. Let people call and ask questions like. "Is this alright to do. Yes or no "

I called the SEC and asked to ask a question. THey referred me to a website page that was a scan of a fax from 1980

I actually video taped this process. Search my name and sec on YouTube   It's ridiculous. They will charge, but they won't help people avoid breaking the law. How is that fair ?

Bottom line , if the goal of regulators is to make the markets fair, trusted and a place where companies can raise capital, their approach to bringing cases against uncertain laws is the worst way to accomplish those goals

As a result they miss the big events and their failures lead to broad regulation that has cut the number of public companies in half and led to a serious distrust of financial markets. It's not insider trading that has created distrust. It's the failure of regulators to miss the macro events

Enron gave us Sarbanes Oxley

2008 crisis gave us Dodd frank

and of course they missed Madoff and Sanford Ponzi schemes

And who knows what's yet to come from algos

The problems are their own fault

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All of the above leads to a simple question. Do you think the markets are safer today than they were 20 years ago ?