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December 20, 2021

Via Email (rule-comments@sec.gov)

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

**Re: *Comment on Potential Money Market Fund Reform Measures
in President's Working Group Report (File No. S7-01-21) issued by
the Securities and Exchange Commission (the "Commission")***

Dear Ms. Countryman:

My firm represents Double Rock Corporation, formerly known as The Reserve Management Corporation, and its principals (collectively, "Double Rock"). We write in response to the Commission's request for comments on possible reforms in the regulation of money market funds set forth in the December 2020 Report of the President's Working Group on Financial Markets [and] Overview of Recent Events and Potential Reform Options for Money Market Funds (the "2020 Report").

Double Rock takes no position on the proposed reforms set forth in the 2020 Report itself. However, it is Double Rock's preference that any such reforms be based upon complete and accurate information, and not upon misinformation. Accordingly, Double Rock wishes herein to take note of significant factual errors made to the Commission by a non-profit entity calling itself "Better Markets" in an April 12, 2021 comment letter.

Prior to writing the Commission, Double Rock gave Better Markets the correct information set forth in this letter, and asked Better Markets to correct its April 12, 2021 comment letter to the Commission. Better Markets declined to do so, and instead chose to leave those misstatements on the public record. It is noteworthy that many of the same factual errors appeared in a 2018 article that Better Markets had published in the *American Banker*. Shortly after the publication thereof, Double Rock requested corrections be made to that article. Better Markets declined to do so there as well. Its repeated factual errors necessitate this corrective letter.

Better Markets' Factual Error #1:

"In the most compelling example of MMF run risk, the Reserve Primary Fund

broke the buck on September 19, 2008, due to losses on debt instruments issued by Lehman Brothers Holdings, Inc. This tumultuous event occurred even though Lehman-related assets comprised only 1.2 percent of the fund's total assets. When the fund sponsors declined to provide support, a run immediately ensued."

Correction:

Better Markets has cause and effect reversed. The run on The Reserve Primary Fund ensued well before Fund sponsors determined that support was impossible. Indeed, it was precisely the magnitude of that run—approximately \$20 billion in redemptions on September 15, 2008 alone—which made it evident to Fund sponsors that, given the simultaneous collapse in credit markets, support for The Reserve Primary Fund would not be possible. Also, the Fund “broke the buck” on September 16, not September 19, 2008.

Better Markets' Factual Error #2:

"This required the fund to sell tens of billions of dollars in assets immediately so that it could pay for the flood of shareholder redemptions. This fire sale in turn depressed asset values, further weakening the fund."

Correction:

Other than the Prime-rated Lehman Brothers senior notes and commercial paper, in which The Reserve Primary Fund had invested slightly over 1% of its assets in September 2008, the Fund experienced no depressed asset values, and ultimately liquidated the other 99% of its holdings at or above par, resulting in Fund shareholders receiving 99.1 cents per share. <http://www.primary-yieldplus-inliquidation.com/pdf/Fund-Update-92314.pdf>.

Better Markets' Factual Error #3:

"The run quickly spread to the entire prime MMF industry, and during the week of September 15, 2008, investors withdrew approximately \$310 billion (or 15 percent) of prime MMF assets. This caused immediate havoc in the short-term funding markets, triggering a vicious cycle of asset fire sales, depressed prices, redemption requests, more asset fire sales, and rapidly evaporating liquidity."

Correction:

Many other money market funds experienced difficulties at the same time as The Reserve Primary Fund, meaning the latter did not “cause” the “havoc.” According to a July 2012 Report by the Federal Reserve Bank of New York, from September 5, 2008 to October 17, 2008, “as many as 11 MMFs [money market funds] on any particular day reported that they would have broken the buck without guarantees from sponsors (including as many as five funds that reported shadow NAVs [net asset values] of less than \$0.995 before the Lehman bankruptcy). A total of 29 funds reported shadow NAVs that would have fallen below \$0.995 at some point during this episode.” https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr564.pdf.

Double Rock thanks the Commission for its consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Dellaportas", with a stylized flourish extending to the right.

John Dellaportas