

To: File No.: S7-06-22; S7-23-22
From: Office of Public Engagement
Date: 7/13/23
Re: Virtual Meeting with Americans for Financial Reform

On July 13, 2023, Chair Gensler and SEC staff met with Americans for Financial Reform (AFR) staff to discuss, among other matters, the proposed rules listed below.

AFR shared their support for the proposed Beneficial Ownership Reporting rule. AFR discussed their analysis which demonstrated that the price pops 7% following the announcement of the activist campaign, which is a benefit to the activist but a detriment to the rest of investors. They also shared that group formation has been controversial. They believe the definition makes sense, given anecdotal evidence of how activist hedge funds share information. They shared that they would support additional clarity to make clear that it only implies in change of control transactions.

AFR also shared their support for the Treasury Clearing rule and underscored that treasury markets are systemically important and highlighted March 2020 as a stark reminder that much trading has moved outside of banks. They believe it would be a natural step to ensure that the official sector has transparency into the markets.

- Beneficial Ownership Reporting, S7-06-22
- Standards for Covered Clearing Agencies for U.S. Treasury Securities and Application of the Broker-Dealer Customer Protection Rule proposal, S7-23-22

Members of the SEC included:

- Chair Gary Gensler
- Amanda Fischer, Chief of Staff
- Heather Slavkin Corzo, Policy Director

Representatives from AFR included:

- Lisa Donner, Executive Director
- Natalia Renta, Senior Policy Counsel for Corporate Governance and Power
- Alexa Philo, Senior Policy Analyst, Banking, Systemic Risk, and Economic & Racial Justice
- Renita Marcellin, Advocacy and Legislative Director
- Andrew Park, Senior Policy Analyst, Hedge Funds & Private Equity