

MEMORANDUM

TO: File No. S7-08-20

FROM: Adam Lovell
Senior Counsel, Division of Investment Management

RE: Meeting with Representatives of the Security Traders Association (“STA”)

DATE: July 23, 2020

On July 23, 2020, Sarah ten Siethoff, Brian Johnson, and Adam Lovell of the Securities and Exchange Commission (the “Commission”) met telephonically with the following representatives of the STA:

- Jim Toes (President & CEO)
- Chris Halverson (Chairman)

The participants discussed, among other things, the Commission’s proposed Reporting Threshold for Institutional Investment Managers, set forth in Securities Exchange Act Release No. 89290 (July 10, 2020). Information provided by STA in connection with this meeting is set forth in Annex A.



Discussion Document – July 2020

Who We Are

The Security Traders Association, “STA”¹ is comprised of 24 affiliate organizations covering the US and Canada. The STA national board of governors is comprised of past presidents and industry specific leaders. Our membership represents INDIVIDUALS from varying business models – buy-side, sell-side, hedge funds, exchange traders and market makers- dealing in equity and derivative trading.

Issues

Release No. 34-89290; File No. S7-08-20; Reporting Threshold for Institutional Investment Managers.

Specific Comments

STA is in the process of gathering industry feedback, therefore any remarks are only indications and don’t represent final opinions.

STA’s primary objective is to ensure that the U.S. securities markets are the most efficient and liquid in the world. In order to achieve these objectives participants, including regulators, must operate efficiency by among other things, maximizing available resources; both technological and human.

At this time, STA is not aware of any burdens on investment managers caused by filing Form13F.

In our [letter](#) to the Commission dated March 26, 2013 we opposed shortening the deadline on filing Forms 13F and recommended the Commission not move forward with formal rule making. We also issued several remarks on Form 13F that included:

- STA believes that information from Form 13F filings provide benefits to investors who engage the market through a self-directed vehicle.
- STA respects the corporate governance issues raised in the petition

STA believes that the proposed \$3.5 billion threshold will have a negative impact on the secondary trading of small to mid-size companies and would not provide protection to smaller managers from costs associated with front running.

¹ STA is a trade organization founded in 1934 for individual professionals in the securities industry. STA is comprised of 24 affiliate organizations in North America with individual members who are engaged in the buying, selling and trading of securities. STA is committed to promoting goodwill and fostering high standards of integrity in accord with the Association’s founding principle, Dictum Meum Pactum – “My Word is My Bond.” For more information, visit <https://securitytraders.org/>