



Advisor Consultant Network, Inc.
600 Superior Avenue Suite 1300
Cleveland, OH 44114

September 10, 2020

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File Number S7-08-20 Reporting Threshold for Institutional Investment Managers

Dear Ms. Countryman,

As the largest service provider of Form 13F reporting solutions in the world, ACN appreciates the chance to comment on the Proposal to increase the Form 13F reporting threshold from \$100 million to \$3.5 billion. We have helped thousands of investment managers with 13F EDGAR filings and thoroughly understand the process, cost, and burden it places on firms.

There are two major problems with the Proposal. First, it overstates the burden that 13F reporting places on firms. The cost of 13F compliance for the average firm is way below \$21,611.16 per year. In fact, we only charge \$125 per quarter for 13F filing services, for a yearly total of \$500.

The average firm does not need a compliance attorney to figure out if they meet the market-value-filing threshold. In its simplest form, a firm needs to know two things: (1) the total value of assets it has discretion over, and (2) the total value of discretionary assets that are on the Official List of 13F Securities. A firm inherently knows which assets are discretionary and can easily match their investments against the Official List of 13F Securities, which the Commission conveniently makes public each quarter.

Nor does a firm need a senior programmer to access the necessary data for the filing. Most firms produce the required 13F information from specific modules in standard portfolio management software packages or custodian data platforms.

The second problem is that the proposal undercuts market transparency. As noted in Commissioner Allison Lee's public statement, the Proposal would eliminate access to discretionary accounts managed by more than 4,500 institutional investment managers, which represent \$2.3 trillion in assets. This is directly contrary to the purpose behind 13F filings, which is "to facilitate the collection and public dissemination of information concerning the holdings of and transactions in securities by institutional investment managers." It is also foreseeable that larger firms that currently hold over \$3.5 billion will change how they operate to avoid filing 13F reports.

And as you know, the U.S. security markets are the most liquid in the world because of our deep market transparency and oversight. The Proposal, as written, reduces this transparency

and meaningfully detracts from our competitive advantage. At the same time, the Proposal is trying to fix a problem that does not exist, since the cost on a quarterly basis is much lower than the Proposal's estimate costs.

For these reasons, it is our opinion that the SEC should not adopt the Proposal.

We would be pleased to meet with the Commission's staff to discuss our thoughts concerning the Proposal, as well as our insights regarding the cost of 13F compliance. If you have any questions on our comment letter, please feel free to contact me directly at (833) ACN-FILE (226-3453).

Sincerely,

/s/ Russell P. Moenich

Russell P. Moenich
Executive Chairman