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Via Electronic Submission

September 29, 2020

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

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

Dear Ms. Countryman:

University Bank¹ and University Bancorp, Inc.² appreciate this opportunity to comment on the Securities and Exchange Commission (SEC) proposal to raise the reporting threshold for institutional investment managers to \$3.5 billion from \$100 million for Form 13F reports filed by institutional investment managers.

This proposal will allow 89% of all current 13F filers to cease reporting and “go dark”, which would result in a significant loss of market transparency for small publicly traded firms such as University Bancorp, Inc., which is listed on the OTCQB Stock Exchange.

On its surface the change in regulation is reasonable, however when considered in light of another regulation, the SEC’s rules 14b-1 and 14b-2 regarding “Objecting Beneficial Owners” and “Non-Objecting Beneficial Owners”, it is most unwise.

Speaking as a CEO of an OTCQB Stock Exchange Listed and publicly traded bank holding company, I think these other two rules are awful and should be changed, if you are going to change

¹ Founded in 1890, University Bank® is the 15th oldest bank headquartered in Michigan. We are proud to have been selected as the "Community Bankers of the Year" by both American Banker magazine and the American Bankers Association and as the second fastest growing business of any type in the Greater Detroit Region by Crain’s Detroit Business. As of 6/30/2020, University Bank was managing over \$29 billion in financial assets for over 152,000 customers and our 478 employees make us the 5th largest bank based in Michigan. University Bank is a state chartered community bank, with on balance sheet assets totaling approximately \$383 Million. We operate one branch office in Ann Arbor Michigan.

² University Bancorp, Inc., a regulated bank holding company, owns 100% of University Bank and is listed on the OTCQB Stock Exchange under Symbol “UNIB”.

the 13F Filer rules! All three of these rules benefit big money Wall Street investors and prevent companies from interacting directly with or even knowing who some of their shareholders are.

Why is it a problem? Under Securities and Exchange Commission (SEC) rules, companies cannot know who their shareholders are because they cannot obtain shareholdings by Objecting Beneficial Owners. Rule 14b-1 requires brokers and banks to disclose to a company the identity of only those beneficial owners who do not object to such disclosure. Those who object are known as Objecting Beneficial Owners (OBOs) under the SEC's rules. Companies like University Bancorp, Inc. cannot contact OBOs directly nor may they learn their identity. The company may only have direct contact with shareowners that have designated themselves Non-Objecting Beneficial Owners (NOBOs), owners who do not object to having their identity known to the issuing company. The OBO/NOBO distinction impedes company communications with beneficial owners and communications among shareowners.³

Is it a large problem? Yes! Over 75 percent of customers holding shares in street name are OBOs, and 52-60 percent of the shares of publicly-held companies in the United States are therefore held by OBOs. In effect, the identity of the ultimate beneficial owner of more than half of all shares of publicly traded companies is unknown to the company that these shareholders own.⁴ It is bad public policy for the board and executive leadership of our nation's largest firms not to be able to know for whom they are working, unable to consult with them when formulating policy and strategic decisions for their firm's future.

I draw your attention to a document the SEC has on their website, s7141022, available at: <https://www.sec.gov/comments/s7-14-10/s71410-22.pdf> which has a more in depth discussion of these SEC rules in the context of problems that have come up with the rules, particularly in proxy fights, since companies cannot know who their shareholders are, if they opt to be Objecting Beneficial Owners.⁵

To summarize, if the SEC amends the SEC's rules 14b-1 and 14b-2 regarding "Objecting Beneficial Owners" and "Non- Objecting Beneficial Owners" to enable issuers of securities to be able to obtain a complete list of their shareholders, University Bancorp, Inc. and many other publicly traded firms would support the proposed change to raise the limit for 13F Filers. If the SEC does not amend the SEC's rules 14b-1 and 14b-2 regarding "Objecting Beneficial Owners" and "Non- Objecting Beneficial Owners" and continues to prevent issuers of securities to learn the identity of their shareholders, we would *not* support the proposed change to raise the limit for 13F Filers.

We urge the SEC to issue a proposed rulemaking to amend the SEC's rules 14b-1 and 14b-2 regarding "Objecting Beneficial Owners" and "Non- Objecting Beneficial Owners" to enable issuers of securities to be able to obtain a complete list of their shareholders and the contact information for those shareholders to enhance the ability of issuers of securities to directly communicate with their shareholders, to be better able to properly manage their firms for the long term in consultation with their shareholders.

³ <https://katten.com/nobo> and <https://www.sec.gov/comments/s7-14-10/s71410-22.pdf>.

⁴ <https://www.sec.gov/comments/s7-14-10/s71410-22.pdf>.

⁵ Ibid.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Lange Ranzini". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen Lange Ranzini
President & CEO
University Bank & University Bancorp, Inc.