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May 23, 2011

Via e-mail to: rule-comments@sec.gov

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090
Attention: Elizabeth M. Murphy, Secretary

**Re: File No. S7-10-11
Release No. 34-64087
Beneficial Ownership Reporting Requirements and Security-Based Swaps**

Ladies and Gentlemen,

This letter is submitted on behalf of the Federal Regulation of Securities Committee (the "Committee" or "we"), of the Business Law Section (the "Section") of the American Bar Association ("ABA"). This letter is in response to the request by the Securities and Exchange Commission (the "Commission") for comments in its March 17, 2011 proposing release referenced above (the "Release").

The comments expressed in this letter represent the views of the Committees only and have not been approved by the ABA's House of Delegates or Board of Governors and therefore do not represent the official position of the ABA. In addition, this letter does not represent the official position of the Section.

We support as a desirable interim measure the Commission's effort to preserve the existing scope of its rules relating to beneficial ownership following the July 16, 2011 effective date of Section 766 of the Dodd-Frank Act and Section 13(o) of the Securities Exchange Act of 1934 (the "Exchange Act"). We understand that, absent this rulemaking, there is doubt as to whether the Commission's current Rule 13d-3 would remain in effect with respect to security-based swaps, with significant consequences to both Section 13(d) reporting and reporting under Section 16 of the Exchange Act. The Commission's proposal to readopt without change the relevant portions of Rule 13d-3 and 16a-1 would cure any possible infirmity arising under Section 766 of the Dodd-Frank Act.

We note that a number of parties, including this Committee, have recommended that the Commission undertake a comprehensive view of its beneficial ownership rules.¹ We believe that it is appropriate for the Commission first to adopt the current proposal and then, following its adoption, consider the appropriateness of proposing further changes to the beneficial ownership reporting requirements to take into account changed market practices and the resulting changed needs of investors and companies. By taking this two-step approach, the Commission would preserve in place the current regulatory framework regarding the determination of beneficial ownership, and be in a position to adopt the final rules prior to the July 21, 2011 deadline. It would also preserve its ability to propose rules regarding improvements to beneficial ownership reporting, with the benefit of a full comment period unhurried by the statutory mandate.

* * *

The Committee appreciates the opportunity to comment on the Release and respectfully requests that the Commission consider the comments and recommendations set forth above. Members of the Committee are available to discuss these comments should the Commission or the staff so desire.

Very truly yours,

/s/ Jeffrey W. Rubin
Jeffrey W. Rubin, Chair of the
Federal Regulation of Securities Committee

cc:

The Hon. Mary L. Schapiro, Chairman
The Hon. Luis A. Aguilar, Commissioner
The Hon. Kathleen L. Casey, Commissioner
The Hon. Troy A. Paredes, Commissioner
The Hon. Elisse B. Walter, Commissioner
Ms. Meredith Cross, Director, Division of Corporation Finance
Mr. Thomas Kim, Chief Counsel, Division of Corporation Finance

¹ See, e.g., this Committee's comment letter dated December 17, 2010 in response to Concept Release on the U.S. Proxy System, Release No. 34-62495 (July 14, 2010), available at <http://www.sec.gov/comments/s7-14-10/s71410-283.pdf>; comment letter of Wachtell, Lipton, Rosen & Katz dated April 15, 2011 in response to the Release, available at <http://sec.gov/comments/s7-10-11/s71011-2.pdf>, and the rulemaking petition of that firm submitted on March 7, 2011, File No. 4-624, available at <http://sec.gov/rules/petitions/2011/petn4-624.pdf>.