

October 8th, 2022

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: Reporting of Securities Loans (File No. S7-18-21)

Dear Secretary Countryman:

I am writing in strong support of rule 10c-1, "Reporting of Securities Loans".

This rule appears to be a good step towards reducing the harm done to markets by bad actors who'd abuse the current reporting structure while affording individual investors the opportunity to make more informed investment choices. The SEC states that one of its primary goals is "*Protecting working families against fraud, manipulation, and misconduct*" -**Draft FY22-26 Strategic Plan**. I believe that 10c-1 furthers that goal.

I am in support of transaction-by-transaction reporting and the 15-minute reporting requirement. The cost and effort of this reporting is justified to prevent fraud and also to prevent hiding in loopholes in the current system. It also reduces the ability to hide loans within an aggregate which would discourage abusive behavior. If funds are allowed to short without adequate transparency, retail investors remain dangerously unaware of the risks they take on when purchasing securities. More timely reporting allows for more timely reactions; slower reporting prevents retail investors and working families from protecting themselves from abusive and predatory short selling practices

Timely detection of fraudulent and abusive activity comes before Wall Street profiteering. Short sellers might be unhappy that 'short squeezes' can follow the identification of their short selling strategy, but that is not a reason for the Commission to decide against greater transparency.

Working families do not have the same resources as large funds to buy data and analysis, nor do they have the time to analyze data themselves. Greater transparency has positive effects on investor protection that go far beyond the obvious. The Commission must not remain ignorant of how social media facilitates a protective web of information sharing that protects investors. To give just one example on 11/30/21 the brokerage Fidelity posted an incorrect number of shares available to short for a given ticker, to the tune of 20% of the available float. It was individual investors who noticed this problem and pushed Fidelity to investigate, finding that their counterparty, Vanguard had made a mistake. Information sharing on social media has afforded individual investors and working families more tools to make informed choices. Professional journalism utterly failed in this role, and some would say has even been captured by bad actors to push their own abusive agendas.

The SEC has already commented on this in proposed rule **13f-2f**:

“The Commission is mindful of concerns that certain short selling activity can be carried out pursuant to potentially abusive or manipulative schemes. For instance, market manipulators may seek to spread false information about an issuer whose stock they sold short in order to profit from a resulting decline in the stock’s price. The Commission has previously noted various other forms of manipulation that can be advanced by short sellers to illegally manipulate stock prices, such as ‘bear raids.’”

The Commission must not behave as though they are ignorant of how greater data provision empowers whistleblowers, who extend the Commission’s reach and greater empower it to meet its strategic goals.

Sincerely,

A Concerned Investor