

March 1, 2016

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: File No. S7-27-15

Mr. Fields,

Although Dinosaur Financial Group, LLC (“Dinosaur”) is not routinely involved working with transfer agents, we have witnessed a high level of dysfunction in the industry related to the issuance of “physical certificates.” There are still instances today where the general public requires physical certificates to be issued for company shares and as a result require the service of a transfer agent. This occurs when a hedge fund, or individual investor needs to register a previously unregistered security.

The registering of securities from “physical certificates” into electronic form via the “Direct Registration System”, which is managed by DTCC, hinges on working with the issuing company’s transfer agent. More often than not these transfer agents lack acumen and operate in a confusing area of the financial regulatory apparatus. As a result, the process of registering securities is opaque, expensive and convoluted.

The general public’s appetite for securities in physical certificate form has waned significantly over recent years, however, in some cases it is still required as in a “reverse merger” or a “PIPE.” Not uncommonly, small companies and startups utilize these mechanisms to raise capital. Dinosaur feels strongly that these methods of financing companies must be modernized. Modernization requires increased transparency and transforming the process of registering securities to be completely electronic.

Additionally, many transfer agents operate on the fringes of the financial system away from regulatory scrutiny. Many operate in less scrutinized jurisdictions such as Utah and Nevada. Due to a lack of resources in these regions fraud is more difficult to detect and more common than in financial centers such as New York.

Regulating transfer agents is essential to shed further light and information on areas where the general public is most vulnerable, which is the arena of physical certificates and unregistered securities.

Kind Regards,
Elliot Grossman
SVP Dinosaur Financial Group

cc: The Honorable Mary Jo White, Chair
The Honorable Luis A. Aguilar, Commissioner

The Honorable Michael S. Piwowar, Commissioner

The Honorable Kara M. Stein, Commissioner

Moshe Rothman, Branch Chief, Division of Trading and Markets

Thomas Etter, Special Counsel, Division of Trading and Markets

Mark Saltzburg, Special Counsel, Division of Trading and Markets

Elizabeth de Boyrie, Counsel, Office of Clearance and Settlement, Division of Trading and Markets