

Kevin M. O'Neill, Deputy Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

July 1, 2014

Re: File No. SR-DTC-2013-11

Dear Mr. O'Neill:

The DTC has proposed rules to amend its controversial policy of establishing global locks and chills, but the SEC's approval of these proposed rules cannot give legitimacy to a policy which exceeds the scope of its authority. Congress could not and did not grant the DTC authority to *indefinitely* interfere with beneficial owner's property rights to trade, transfer and possess their securities.

Mr. Isaac Montal states in his May 6, 2014 letter "*Neither a Deposit Chill nor a Global Lock prevents trading of an affected security*", however, the DTC has effectively established a policy which not only prevents trading in the affected securities but the DTC has established a policy which asserts dominion over the ultimate beneficial owner's property for an *indefinite* period of time.

This is not speculation that the DTC policy invades beneficial owner's property rights. The DTC's member participant brokerages for years have told their customers and adjudicators that: "*a DTC global lock means that the subject shares are not eligible for delivery, transfer or withdrawal by any person or entity*". The result is, customers of SEC regulated brokerages, whether the customers purchased their securities before or after a global lock was established, are denied delivery and possession of their fully paid securities, *indefinitely*.

The DTC's global lock policy results in costly and unnecessary lawsuits where innocent investors must file legal claims against their brokerages for possession of their property which the DTC asserts dominion over. (*Levy v. TD AMERITRADE, INC.*, No. 13-3363 (8th Cir. June 3, 2014).)

Are the brokerages misrepresenting their inability to transfer a customer's ownership out of street name in globally locked securities or has the DTC cobbled together an unauthorized and illegitimate policy which *indefinitely* prevents rightful owners from transferring their ownership of fully paid securities out of street name?

No matter who is to blame, the legitimate use of *temporary* global locks has grown into an unjustifiable abuse by the DTC and its participants. *Temporary* global locks are useful to identify, purge and replace, if necessary, tainted certificates at the DTC, but the DTC has no reason, and more importantly, no authority to restrict, for an *indefinite* period of time, a beneficial owner's property rights to trade, transfer and possess their fully paid securities. The burden is on the SEC to ensure the DTC has not established a policy which violates (or assists its member participants in violating), the ultimate beneficial owner's right to possess his fully paid shares.

Jan Harris