



October 28,2009

SEC Roundtable on Stock Loan and Short Sales

Dear Chairman Schapiro,

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Thank you for offering me the opportunity to provide nearly three decades of relevant international expertise on this very high profile consequence.

Firstly, I would like to offer my condolences to all the victims both unsuspected sources, the shareholders and the corporations that have succumbed to this classic securities model.

I have attended this two day conference organized by the SEC and witnessed a variety of submissions by the panelists whom have been the victims of short sales but by contrast a more profound voice by those financial institutions that service the stock loan industry and earn an outstanding annuity for their participation without regard.

On the surface, securities lending practices to accommodate short sales of equity could potentially represent an immediate dilution and price point pressure on a companies stock. However, there are further negative implications and also substantial benefits within this same model.

GSS has analyzed a great deal of companies by evaluating a confluence of issues and circumstances relative to the very many trading variables that exist with the company's public domain and the results discovered are staggering. Our discovery has included areas of clear manipulation to massive abuse which can be narrowed and in some cases identify with reasonable certainty the sources.

With the introduction of additional phantom shares to a company's outstanding equity, the consequences to the company and its shareholders are not only reflected in the capitalization and share price of its stock but also in many cases causes distortion to various financial ratios, compromising shareholder rights and overall corporate image among many other issues.

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GSS however does see value in securities lending for several reasons to include enhanced share liquidity but primarily the identification of insider trading and in some cases the potential event of money laundering. However, the net effect of securities lending has far greater consequences to a company and its shareholders if in the fact the Securities and Exchange Commission fails to recognize and enforce these negative aspects of securities lending practices.

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It is obvious that the financial institutions including the National Stock Exchanges are proponents of securities lending. After all this process generates a great deal of volume activity and breeds ancillary trading mechanisms represented by Dark Pools to be discussed on a separate submission.

The Securities and Exchange Commission has as its primary tool the ability to cause transparency for all securities related products of public companies. GSS believes that if securities lending practices were to exist then transparency alone would be insignificant in the SEC's quest to protect all shareholders of public companies. ***Reform of the Securities Lending Industry is necessary and we also believe that accountability of potential abuse if revealed needs to be distributed through-out the relationship including both sides of and/the financial institution. Know your clients!***

It is without a doubt that the Securities Lending industry is in dire need of reform and an equilibrium of compromises and disclosures must be implemented that will positively satisfy all participants that surround the securities lending industry while considering the ultimate shareholder.

GSS believes that in the event that Securities Lending practices yields obsolescence, the natural progression and evolution of global securities coupled with the United States Capital Markets will continue to forego the US dominate securities infrastructure and further fuel the capital market development of other countries at our expense.

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Thank you again for allowing GSS to provide this submission and look forward too and offer our expertise in salvaging all aspects of our Capital Markets.

Sincerely,
John Germinario
Chief Executive Officer