

Joffus
@joffus3
Sarasota, FL
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Secretary Vanessa Countryman
Office of the Secretary
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Re: Comment on Proposed Rule - Safeguarding Advisory Client Assets
Release No. IA-6240 (Feb. 15, 2023)

Dear Securities and Exchange Commission,

I am writing to submit my comments on the proposed rule, "Safeguarding Advisory Client Assets," as outlined in Release No. IA-6240 (Feb. 15, 2023).

While I appreciate the Securities and Exchange Commission's efforts to enhance regulations and protect investor interests, I have concerns about the current proposal. Specifically, I would like to address the following points:

1. Lack of Clarity:

The summary provided does not offer sufficient details regarding the proposed amendments to the custody rule. Clarity is essential for stakeholders to fully understand the implications of the changes.

2. Potential for Regulatory Overreach:

It is crucial to strike a balance between investor protection and maintaining a fair and competitive market. Any perception of overreach in the proposed rule could lead to unintended consequences and opposition.

3. Impact on Market Participants:

The proposed rule's potential effects on various market participants, including investment advisers and private funds, need thorough consideration. It is essential to assess the implications for these entities and their clients.

4. Compliance Costs:

Regulatory changes often entail compliance costs for affected entities. It is important to evaluate whether the benefits of the proposed rule outweigh the financial and administrative burdens it may impose.

5. Recent Threat of Legislation and Free Speech Concerns:

I would like to express my deep concern about recent statements and threats of legislation by the SEC that have adversely affected retail cryptocurrency holders. Cryptocurrencies have been recognized in court as a form of free speech (see *Cf. SEC v. Telegram Group Inc.*, 2020), and any actions that impede or censor these digital assets raise serious questions about preserving this fundamental right. The threat

of legislative action against cryptocurrencies must be carefully considered to avoid unintended consequences for both innovation and individual freedoms.

6. Suspect Design to Stifle DeFi Growth:

It is worrisome that stifling the growth of decentralized finance (DeFi) is now suspect to be by design. Recent testimony in court revealed personal notes indicating that efforts were made to encourage regulators to "crack down" on entities like Binance. This raises concerns about whether regulatory actions are being used to intentionally hinder DeFi's growth and innovation.

7. Impact on Free Speech and Innovation:

The proposed regulations have the potential to artificially add bottlenecks and hinder the adoption of innovative blockchain and cryptocurrency technologies. Such bottlenecks could restrict access to financial services and stifle the free exchange of ideas and information that digital assets enable. This, in essence, is a direct assault on free speech and the transformative potential of blockchain technology.

8. Decentralized Finance and Trustlessness:

It is worth noting that the world of decentralized finance (DeFi), exemplified by platforms like Pulsechain, operates autonomously and trustlessly. In the context of cryptocurrency, "trustless" means that participants can interact with smart contracts and assets without relying on intermediaries or central authorities. DeFi platforms have the potential to revolutionize finance by eliminating traditional bottlenecks and increasing access to financial services.

9. Threat to Trustlessness:

An overbearing regulatory environment has the potential to undermine the very concept of trustlessness in cryptocurrencies. Regulatory actions that require centralized control or oversight could compromise the decentralized nature of DeFi platforms, thereby defeating their primary purpose.

10. Public Comments:

Reopening the comment period is a commendable practice to gather feedback from stakeholders. However, it is imperative that the SEC genuinely considers and addresses the concerns and suggestions raised during this period.

I kindly request that the SEC takes into account these concerns and addresses them in its final rulemaking process. Transparency and a balanced regulatory approach are critical to maintaining investor confidence and market integrity while preserving the innovative potential of trustless, decentralized platforms like Pulsechain.

Thank you for considering my comments. I look forward to the SEC's response and further opportunities for public input on this important matter.

Sincerely,

Joffus