Darian B. Andersen
General Counsel, P.C.
Attorney and Counselor at Law
1015 Waterwood Parkway, Suite GA1
Edmond, Oklahoma 73034
[redacted] FAX: [redacted]
[redacted]

December 23, 2019

Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File Number S7-14-19 Publication or Submission of Quotations Without Specified Information

Dear Ms. Countryman:

The proposed amendment appears on the surface to be well intended with the overall goal of reducing fraudulent activities with regard to OTC stocks on the basis of lack of current information. However, this proposed rule has deficiencies that would be devastating to existing shareholders in OTC stocks. By way of this new proposal, market makers would cease to "make a market" in an OTC Company's securities because it lacks current information. The consequence is the OTC Company would no longer have a viable way to achieve liquidity and therefore this proposal would harm its shareholders. Many of these shareholders, who many have held onto shares for years, would find themselves at a total loss due to the inability to trade their shares. This would also have a tax consequence that would be very difficult to navigate. For example, if this proposal is passed, an issuer with no current information would be effectively de-listed, its shares then would be deemed worthless as there would be no quotation on 15c2-11 (via market makers) and if those shareholders take tax losses, what would happen if the issuer after a year if it decides it can provide current information? What would happen to captured tax losses from shareholders? This proposal leads to an unfairness which penalizes shareholders, they would be compelled to sell their shares in advance of such an event, and if an issuer decides to post current information, the shares would likely recover, however, it would be detrimental for those shareholders who sold.

While the Commission should be applauded for seeking to stamp out fraudulent activities in the OTC market, it should be noted that there are many legitimate OTC companies that exist, all of whom would be penalized unfairly by this new proposal. Furthermore, the time, cost and effort to reapply for a new 15c2-11 submission through a FINRA registered broker dealer in 2019 is no simple process complicated by the fact there are far fewer broker dealers in existence today than in years before due to a myriad of new regulations, procedures and high costs in maintaining one. In many cases, a new 15c2-11 submission may take months if not the better part of a year to be approved. It is also well known that FINRA has limited staff employed within its department dedicated to handling 15c2-11 submissions, leading to severe bottlenecks, an issue that would be further compounded if this proposal is approved. Broker dealers and clearing agents could also discriminate against an issuer for a variety of reasons to keep an issuer from filing a 15c2-11 further

complicating matters. Therefore, compelling an issuer to reapply for a new 15c2-11 submission would be a significant undertaking.

Additionally, it should be noted that there are gatekeepers that exist for buyers of OTC stocks. Broker dealers require purchasers of OTC stocks to sign multiple agreements and disclaimers before they are eligible to purchase OTC stocks. Furthermore all broker dealers today also require annual income qualifications and tax bracket verification when opening accounts. Accordingly, there are many such "hoops" one must encounter in order to proceed purchasing an OTC stock.

In closing, I believe there may be better solutions to this problem rather than the current scope of what this proposal is seeking. Perhaps a parallel new (either initially free or at minimum, a low cost) quotation system, away from OTC Markets Group Inc. would make sense at this juncture, one that allows non-current issuers to provide the public with basic unaudited information; balance sheet, income statement, statement of operations among other disclosures, while maintaining the integrity, parity and security similar to other exchange platforms. OTC Markets Group Inc. compels issuers to pay exorbitant annual fees for the privilege of removing a "stop sign" from its rating. Their pricing mechanism is a challenge for many small issuers and a deterrent for ones that wish to become current. If an issuer does not pay, they are labeled as "dark" and/or "defunct" and broker dealers rely on their rating which in turn prohibits transactions. They have become the de facto service for OTC issuers and for the number of decades they have been in their position; they have done little to nothing to improve conditions for the small issuer market.

I urge the Commission to reconsider this proposal as it fails to do the intended and does more harm than good. If the Commission is seeking to protect the investing public, this proposal does not accomplish that.

Sincerely,

Darian B. Andersen