

October 8th, 2022

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: Reporting of Securities Loans (File No. S7-18-21)

Dear Secretary Countryman:

I am writing in strong support of rule 10c-1, "Reporting of Securities Loans".

I explicitly support transaction-by-transaction reporting because it eliminates the ability to "hide within the aggregate"; transparency means transparency and aggregates are not transparent. Secret short selling could dissuade actual investment as funds attempt to glean profit off the backs of true investors.

I explicitly support the 15-minute reporting requirement, saying the cost and effort are justified to prevent fraud and prevent hiding in loopholes.

Working families and everyday people are victimized by financial predators. The SEC's [new strategic plan](#) puts "working families" front and center. This is good.

Victimized companies need a greater ability to defend themselves against predators, and that "short selling in the dark" harms true competition and price discovery. The idea that a small number of short-selling funds "know best" and can hammer unsuspecting companies in the dark is shameful. Secret short selling hurts individual investors in the name of greater profits for hedge funds. Is that what the public would want from its government? Timely detection of fraudulent and abusive activity comes before Wall Street profiteering.

The public serves as first-line watchdogs in monitoring short selling data for securities fraud, strengthening the SEC and better enabling it to fulfill its mandate, at no cost. More timely, higher-resolution reporting would create a waterfall effect whereby some individual investors analyze the data and make that analysis publicly available for free, which is then disseminated widely and re-analyzed, spurring more activity. This allows individual investors to help each other, and allows busy working families to be the recipient of aid for free. Working families do not have the resources to buy data and analysis, nor do they have the time to analyze data themselves. Greater transparency has positive effects on investor protection that go far beyond the obvious. The Commission must not remain ignorant of how social media facilitates a protective web of information sharing that protects investors. The Commission must not behave as though they are ignorant of how greater data provision empowers whistleblowers, who extend the Commission's reach and greater empower it to meet its strategic goals.

There are dangers inherent in long, untracked lending chains, that can lead to economic fragility. Securities lending activity can hide massively destructive chains of obligation that can

even be a threat to national security, and so transparency in this area is more important than it has ever been. The risks associated with reckless securities lending and short selling - highlighted with terrifying clarity following the events of Jan 28 2021, go far beyond any theoretical benefits of secret short selling for “superior returns”. Investor protection comes first.

A short seller is not an investor, but the opposite. The SEC seems to be prioritizing hedge fund comfort and profiteering over investor protection and market transparency. While short sellers might be afraid of ‘short squeezes’ that can follow the identification of their short selling strategy, that is not a reason for the Commission to decide against greater transparency. If short selling is chilled, then short squeezes and dangerous volatility become less common. ‘Sophisticated investors’ will quickly learn to avoid positions that could result in such dangerous volatility, which will clearly benefit the market overall.

Retail will benefit from increased transparency. We have a much better idea of the risks of our decisions and transactions if we can see who is targeted which companies. If funds are allowed to short in the dark, retail investors remain dangerously unaware of the risks they take on when purchasing securities. More timely reporting allows for more timely reactions; slower reporting prevents retail investors and working families from protecting themselves from abusive and predatory short selling practices. ***Working families and the individual investors need to be able to look both ways before they cross Wall Street.*** No one wants working families to get run over in the name of “superior returns for hedge funds.

Sincerely,
Amanda Reaman