

October 11th, 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 strongly agree that "There is limited information available to market participants, the public, and regulators about securities lending in the United States" and not only in the United States.

It has been proven time and time again that SROs (Self Regulating Organizations) do not regulate themselves in favor of regular citizens. Main point is that these companies lie and provide false information to the public. When these companies get caught they have to pay fines, but these fines are not big enough to repel them from committing the same crime again, so they do it again and again. These fines are a cost of doing "business". The analogy would be - I steal 10000 dollars from someone, later I get caught and I have to pay a fine of just 10 dollars. By that logic what is stopping me from stealing again?

Citadel believes that they "drive and maintain the efficient pricing of securities.". Okay, efficient pricing of securities, but to whom? It has been proven that they use Payment For Order Flow, Dark Pools, SWAPs that are opaque to the public until 2023 by CFTC. They hold pensions and want to remain opaque. If I was holding my pension with them I definitely would want to see proof that my pension is not loaned and used against me. This rule would bring these problems to light.

Further, the Failure To Deliver (FTD) problem has only grown. FTDs are being closed temporarily by loaned securities, enforcing the rule 10c-1 would show if these FTDs get delayed or closed permanently, which is a big plus to market stability and risk management.

The argument that the rule would change the securities lending regime, add costs and create "copy-cats" is insufficient. The problem is that FTDs get recycled, not closed, therefore each cycle the FTDs grow bigger creating a bigger problem in the future market. Citadel does not want to provide the information regarding the FTDs, SWAPs, price discovery and want to remain opaque to the public. I strongly disagree with their statements and arguments to remain in the dark.

Transparency is key to the well functioning market.

Again, Citadel states that “the Proposal fails to provide market participants with clarity regarding the specific types of transactions that would be subject to the new disclosure regime.”. I believe the proposal is clearly understandable - “Any person that loans a security on behalf of itself or another person would be a “lender” under the proposed rule, including banks, insurance companies, and pension plans.”, “The Securities and Exchange Commission (“Commission” or “SEC”) is proposing a rule to increase the transparency and efficiency of the securities lending market by requiring any person that loans a security on behalf of itself or another person to report the material terms of those securities lending transactions and related information regarding the securities the person has on loan and available to loan to a registered national securities association (“RNSA”).”. What specificity do they want? Clearly they are searching for a loophole or want the whole proposal dismissed.

Also, Citadel is a hedge fund AND a market maker, that should not be possible, like congress trading stocks and making rules at the same time.

Honestly, I just want the truth and this rule 10c-1 is a great starting point.

Sincerely,

A Concerned Investor