

October 19, 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:

Today I am writing you in strong support of rule 10c-1, „Reporting of Securities Loans“

Transparency is vital for every investment decisionmaking nowadays. It should be normal to disclose all short positions, like every long position is disclosed via 13F filings.

Without the needed transparency, some market participants have an unfair advantage over retail investors. These institutional investors have access to data unavailable to everyday people, trying to invest for retirement. The lack of disclosure of short positions can lead to abuse of said investing tool. If you don't have to reveal your position, why bother playing by the rules? This includes short positions hidden in SWAPS, DOOMP (Deep-Out-Of-The-Money-Puts) and other Derivatives used for shorting.

A very important note of 10c-1 is the transaction-by-transaction reporting.

Without this, market participants could try to hide „within the aggregate“ and thus hiding their exposure in various securities they are shorting.

With above mentioned note on side it gets difficult for big institutional investors to hide their position, on the other side it levels the playing field, because every investor has the information at hand, that is needed to initiate a trade / an investment.

Another great way to protect investors and impede fraud is your proposed 15-minute transaction reporting.

This part of your proposal benefits the overall need for transparency in the markets. It gives everyone the needed data to safely invest in the markets, which are protected by the SEC. Arguments like excessive cost and effort are nothing but an excuse, to not have their positions disclosed. Every entity or institution that brings up arguments like this, has something to hide. Preventing fraud is of utter importance in today's markets. With the proposed 15-minute transaction reporting the SEC goes another step forward to protecting working families and everyday people that are victimized by financial predators.

Your proposed rule 10c-1 will have massive positive effects for companies which are fallen prey to abusive naked short selling through undisclosed positions.

It is hard to fathom that until today it is the status quo, that some few institutions „know

best“ and can accumulate short positions in the dark.

This way they are:

1Harming true price discovery. Without needing to disclose positions, rehypophecation of shares will lead to dilution of shares in the companies targeted by abusive short sellers.

2Harming less informed investors through an edge of both data and financial mass. Without oversight these institution can and will abuse their power in the markets for sheer profit, at the cost of small investors. Power without oversight can lead to corruption of said power.

Another great benefit of the proposed rule is, through greater transparency, retail investors can make more informed investment decisions. If funds are allowed to short in the dark, retail investors remain unaware of the included risks they take on when purchasing securities. Timely reporting allows for timely reactions, slower reportings prevents working families from protecting themselves from abusive and predatory short selling practices.

Furthermore lies a deep danger in hiding short positions. Through loopholes and various other methods hiding short positions can lead to massive obligations, which in fact could lead to default of the carrier of said obligations. If an enormous obligation is accumulated and bears the risk of counterparty default, the chain of destruction which follows can be a threat to national security.

Conclusion

I appreciate the opportunity to respond to the Proposal. Thank you for considering our comments and I would be happy to participate in leveled security markets.

Sincerely,

Mr. Albenstrauss