

October 27, 2022

Ms. Countryman,

I, Cory Siemon, am a concerned financial market investor in support of greater fairness and transparency. I appreciate the opportunity to comment on the SEC's release on Proposed Rule 10c-1 under the Securities Exchange Act of 1934.

I am submitting this comment today because I've been an active investor since Jan2021. Before then I was a passive investor contributing to my retirement accounts. Unfortunately, when a handful of brokers froze buying (continued trading as position close only), many of which are affiliated with APEX Clearing and payment for order flow (PFOF), I was of the opinion that something illegal had taken place. As I watched the process play out with little to no reconciliation, regarding investor reparation or market maker legal ramifications, I began to lose trust in our financial market structure.

For what has been nearly 2 years now, I have been an active investor. That entails conversations with brokers, transfer agents, gaining a full understanding of transactional details and market structure resulting in public security valuation and price movement. Market research lead me to liquidate my retirement account and continue to dollar cost average my individually selected securities.

I am capable of continuing as an active investor for the rest of my life. And while I have chosen to do that because I see too many possibilities for price manipulation and misappropriation of public funds, I would be happy to be a passive investor if the day comes when our financial market is trustworthy once more. As it stands, my parents will continue to find ways to get their money out of the system and I will teach my son why he should not blindly invest any of his money with a public fund.

This is a growing sentiment among the public, and I appreciate proposed Rule 10c-1 because it addresses increased transparency into securities lending activities which I find to be a critical piece of the ongoing detachment of security pricing in relation to supply and demand.

Increased disclosure of which parties are engaging in lending securities accompanied by a timestamped record of which accounts they were borrowed from and at what costs, will aid much needed accountability at a time that has proven to have actors selling and shorting more securities than a company has even issued, utilizing access to order information to control and scalp pricing, leveraging counter positions, and abusing the derivatives market, which put our entire financial market at risk.

I fully support greater disclosure and even more timely disclosure than is currently proposed. I do not believe our public regulatory and enforcement bodies are acting strongly or swiftly enough to prevent an economic crisis. This proposal should leave no doubt that the SEC is here to protect public investors and all of the pensions which malicious short seller and bad actor market makers clearly give little consideration for.

The average public investors is not aware of the risk associated with the opaque security lending practices which their investments and pensions are subjected to. It is the regulatory body's job to protect them from what is currently out of control and the standard business practice for large institutional funds.

Information flows very quickly nowadays and, for companies that are funding high frequency trading platforms, I'm certain that broker dealers could comply with immediate disclosure, as well as immediate oversight on the submissions. We deserve immediate disclosure of all security lending transactions at the time they occur, and that should include a trail of every account where that security is being lent or borrowed from. Any public investor associated with those securities should receive a notification every time there is a change in the lending position with the reason why their securities are being lent. I believe we would find that most public investors are not interested in having their securities lent out, especially if they are not receiving the incentives for doing so.

Records should be kept available to the public indefinitely. 5 years is not long enough to support legal needs which can often require 20 years of reference points.

Perhaps you would also consider the addition of a blockchain integration proposal as it would provide a real-time public ledger holding book entries accountable rather than allowing broker dealers to self-report inappropriately or cook the books.

We appear to be experiencing a significantly manipulated financial market. One that puts the public at severe financial risk and creates an environment that has distorted supply and demand to the point that it's nearly detached from security pricing. This is stealing money out of public investor pockets which has literally destroyed 20-30% of retirement accounts in 2022 alone. Perhaps pricing on securities are being significantly inflated while pension plans auto invest into overpriced holdings each paycheck, only to find that when they retire and pull out their money the price tags have fallen to reflect a more true value of the security. This is blatant manipulation that is made possible through distortion caused in part by securities lending.

Please use your regulatory power to restore faith in our financial system. This regulation is one of many required steps in the right direction. Please leave no question in the minds of those that will attempt to undermine its protection. Please ensure the greatest level of detail is applied to this proposal in pursuit of transparent short positions which will ultimately facilitate a healthier capital market.

Also, please consider increasing the speed and cost of violating this rule if/when it is approved. The penalties I have paid attention to over the past 2 years are not respectable. They do not deter criminal activity. Please consider getting serious about protecting the public. Until then we are likely to see pensions deplete and the next generation significantly decrease contributions.

Sincerely,

Cory Siemon
Concerned Public Investor