

October 30th, 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".

Supply and Demand

As most of us have been taught, the price of a good depends on the supply and demand of that good. When this was presented by my economics professor many years ago, it was said that an example contradicting this basic rule of markets had never been found.

As you are certainly aware, there have been numerous examples of companies that appear to have had multiples of their stock's float sold short with no clear, reliable, legally mandated reporting showing the prevalence or scale of the practice. Supply and demand would indicate that a huge increase in supply of a good will make the price of that good fall towards zero. This appears to have been the case with many of these companies.

Share Count and Rights Dilution, and Distorted Valuations

When a stock is sold short, each share in a company ceases to represent a slice of the company that is proportional to the publicly disseminated stock float. The dilution of the float occurs as both the loaning and borrowing customer believe they have both purchased the same share. This dilution's effects on the vote representation, the tax implications for dividends, and the artificial suppression of the price of the stock is important in evaluating the security.

As many of us are becoming aware, the true count of shares "owned" is impossible for a normal investor or institution to acquire or even estimate. While this rule by itself may not completely resolve this lack of "owned share count" data, by mandating the reporting of securities loan transactions, the SEC will give financial markets an important piece to the puzzle of estimating the shares "owned", and thereby allowing the evaluation of the value of each share's claim on a company's future prospects.

Information Asymmetry

Since the entire point of financial markets is to allow participants to find securities that will prove to be a reliable store of value, it is desirable to allow a more accurate evaluation of a security's value by market participants who do not currently have the connections to otherwise procure this information.

Thank you for considering my strong endorsement of this rule.

Emily Barkerson
Retail Investor