

Securities and Exchange Commission

100 F Street, NE

Washington D.C. 20549-1090

RE: File No. S7-24-20

Dear Secretary. Countryman,

I would like to thank the Securities and Exchange Commission for the opportunity to comment of the Proposed Rule Change concerning Rule 144; the holding period for securities acquired upon the conversion or exchange of market-adjustable securities.

Under the proposed amendments to Rule 144, the holding period for securities acquired upon conversion or exchange of market-adjustable securities issued by unlisted issuers will not begin until the conversion or exchange. The Securities and Exchange commission is also proposing that amendments related to Form 144 filings shall be made electronically.

Change to the holding period for these market-adjustable securities will harm the small to medium-sized organizations that are not listed on the national securities exchange. These companies often struggle to obtain financing from traditional funding sources, and therefore rely on these market-adjustable securities. The SEC does mention this potential issue in the proposed rule change. Under the economic analysis section, they state, "as well as potential effects on efficiency, competition, and capital formation". Convertible lenders have been able to provide so many small businesses that are not listed in the national securities exchange with the needed funding to keep operating. Altering the holding period would ultimately create economic hardships for the small to medium-sized businesses that rely on market-adjustable securities as a form of financing. Many of these businesses are already facing hardships due to the COVID-19 pandemic and having the holding period altered for market-adjustable securities could prove catastrophic for many of these businesses.

Although I disagree with the proposed changes to Rule 144, I agree with the proposed changes to the filing requirements for Form 144, Form 4, and Regulation S-T. The switch from paper filing to required electronic filing will help to improve the filing process to fit the modernization of today's world. Filing forms electronically will benefit the investors who are required to file by making the process easier and more efficient. As Regulation S-T does not currently provide for electronic filing to report proposed sales of securities, this change will make that possible. The SEC has stated that, "in response to COVID-19 conditions, Commission staff announced a no-action position that temporarily affords Form 144 filers an option to submit paper Form 144s via email." They continue on to say that, "The Commission received approximately 13,400 Form 144 submissions: 46.5 percent were filed electronically." This goes to show that when investors are provided the option to file electronically, they will exercise that option. The proposed changes to the filing requirements will also change the filing deadline for Form 144 to make it align with the filing deadline for Form 4. Filing the two required forms together will provide investors and easier and more efficient filing process.

For the reasons stated above, the SEC should decline to adopt the proposed amendment to Rule 144 prohibiting tacking of the time between loan and conversion in calculating the relevant Rule 144 holding period for market-adjustable securities. However, they should adopt the proposed changes in regard to the filing requirements of Form 144.

Warm regards,

Sydney Linnick
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