GeneSYS-ID
True Identity Control

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John Fieldsend
Sean Harrison
Office of Rulemaking
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

VIA ELECTRONIC MAIL

Re: Release Nos. 33-10911; 34-90773; File No. S7-24-20

I support the rule change. My company was a small OTC company and was devastated by market adjustable securities financings. I have read prior comments, especially comments filed by other CEO's and must disagree with them. One thing I found interesting is the claim that small public companies will not be able to raise money if the Commission changes the rule. That's a bunch of nonsense. There are many other less dilutive and less harmful actual investment methods such as the tried-and-true PPM and an actual equity investment. They can also fund companies through fixed price convertible notes where they actually have to take a risk to see a return on their investment.

This proposed rule change will only affect about 40 of these small market lenders. These are not the Goldman Sachs and Morgan Stanley's of the world. They are a small group of lenders concentrated in New York, Massachusetts, Florida, Texas and California and typically advance less than $150,000 per investment. Some of these same lenders have been charged by the SEC for operating as unregistered dealers and others may be under investigation by the SEC for the same reasons.

The current Rule 144 tack back rule is exploited by dozens of these lenders that are guaranteed returns, not from the appreciation of a company's stock price, but based on their contracted conversion discount. The whole purpose of the commission is to protect shareholders – I have not seen one comment that addresses how keeping the current rule protects shareholders. The fact is the current rule devastates shareholder value. Too many shares hit the market after 180 days creating a cascade of serial stock sales based on these notes, depressing a struggling company's stock price.

Market adjustable funding's are destructive and take advantage of the current Rule 144 loophole. The proposed rule change will force these lenders to wait an additional 6-month period every time they covert their debt into stock. This would force them closer to a real investment.

Thank You,

Lorraine Yarde
CEO