

Re: Release No. 34-93784; File No. S7-32-10

Dear SEC,

I am writing in strong support of the proposed rule change regarding security-based swaps. As Americans, we value principles like fairness, honesty, and transparency. Anything that undermines those principles in our financial markets is un-American and must be stopped. This rule change is a necessary and prudent measure that will strengthen ethics, transparency, and accountability in our financial markets.

The Founding Fathers believed strongly in moral business practices. In his Farewell Address, George Washington warned the nation to avoid "the impostures of pretended patriotism" from those who sought personal gain at the expense of the country. Thomas Jefferson spoke out against monopolies and financial corruption. Alexander Hamilton co-founded the Bank of New York on principles of "sound morals and liberal dealings."

I believe the proposed Rule 9j-1 aligns closely with the values of our Founding Fathers.

The proposed Rule 9j-1 aims to explicitly prohibit fraud, manipulation and deception related to security-based swaps. This rule rightly targets unethical practices like "opportunistic strategies" in the CDS market, where bad actors take advantage of asymmetric information and harm their counterparties. For example, you cite tactics used by some CDS buyers and sellers to improperly trigger or avoid payouts, often deceiving their counterparties. This is clearly unethical behavior that should have no place in our financial system. Such deception goes against the spirit of fair dealing enshrined in America's founding documents, including the Declaration of Independence's assertion that "all men are created equal" and the Constitution's guarantees of "justice" and "domestic tranquility." Our markets should empower all hardworking Americans, not enable cheats. Rule 9j-1 will uphold equality before the law. Strictly banning these practices, as Rule 9j-1 intends to do, is a common-sense measure fully in line with American ideals.

The proposed Rule 10B-1, requiring reporting of large security-based swap positions, is also crucial. As we painfully witnessed in 2008, opaque and unregulated swaps can threaten the entire financial system when risks compound. Transparency and accountability, on the other hand, are core American values, enshrined in institutions like jury trials, investigative journalism, and peaceful protest. Rule 10B-1 will shine disinfecting sunlight on swap positions, benefiting regulators and honest investors alike. Perhaps if similar transparency had existed before 2008, that crisis could have been averted.

Finally, the proposed Rule 15Fh-4(c), prohibiting interference with compliance officers, will allow those officers to effectively play their critical oversight role. Manipulating or misleading those responsible for ensuring market integrity is an offense against all that America stands for. From the Boston Tea Party's stand against unethical business practices to Martin Luther King Jr.'s fight for justice, Americans have long stood up against corruption. Independence enables moral courage, and moral courage stems corruption.

In summary, these ethical rules will strengthen our markets by aligning them with timeless American values like transparency, independence, justice, courage and equality. I applaud and support the SEC's bold moral leadership on this issue. Such reforms are not only prudent, but quintessentially American. Thank you for considering my comments.

Sincerely,
Steve Holt