October 11, 2022

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21 St. NW,
Washington, DC 20581

Re: Amendments to Form PF to Amend Reporting Requirements for All Filers and Large Hedge Fund Advisers (File No. S7-22-22, RIN 3038-AF01); 87 Fed. Reg. 53,832 (Sept. 1, 2022)

Dear Ms. Countryman:

Better Markets[1] appreciates the opportunity to comment on the above-captioned Proposed Rule ("Proposal" or "Release")[2] intended to strengthen the Form PF reporting requirements. By updating and enhancing the quantity and quality of information reported by private funds that collectively manage trillions of dollars in assets and that are deeply interconnected with the financial system and the broader economy, the Proposal will improve the ability of the Securities and Exchange Commission ("SEC") and Commodity Futures Trading Commission ("CFTC"), (collectively the "Commissions") and the Financial Stability Oversight Council ("FSOC") to appropriately monitor and respond to systemic risks and to detect fraud and other forms of investor abuse.

The private fund industry has witnessed immense growth since the original Form PF rules were adopted in 2011. The value of assets held by private funds required to submit Form PF has more than doubled from $5 trillion in 2013 to $12 trillion in 2021, while the number of firms has grown by 55 percent as well.[3] Not only has the industry grown substantially during this time, but the investment strategies deployed by these firms have also evolved to include a wide range of asset classes such as real estate and digital assets.[4] After nearly ten years of collecting this data via

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1 Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street, and make our financial system work for all Americans again. Better Markets works with allies—including many in finance—to promote pro-market, pro-business, and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans' jobs, savings, retirements, and more.

2 Amendments to Form PF to Amend Reporting Requirements for All Filers and Large Hedge Fund Advisers, 87 Fed. Reg. 53,832 (Sept. 1, 2022).

3 Release at 53,833, note 7.

4 Release at 53,833.

Form PF, the Commissions and FSOC have identified information gaps that have emerged in light of the evolving nature of the businesses and strategies these firms invest in. That is why the Commissions must recalibrate the quantity and quality of data being collected via Form PF. The Proposal is necessary and appropriate to ensure that the reporting requirements meet the congressionally mandated goal of protecting investors and assessing systemic risk.

BACKGROUND

One of the consistent themes of the financial crisis was the extraordinary degree to which regulators were surprised and caught uninformed about some of the most basic circumstances prevailing in the financial markets and at financial firms. This grievous lack of transparency into the practices and products that had developed in the financial markets over the previous years also included the massive, unseen buildup of risks. That yawning information gap resulted in policy makers and regulators being consistently unprepared and having to react after events materialized as the 2008 crisis approached, unfolded, metastasized, and ultimately exploded.

This lack of transparency was the result of deliberate de-regulatory measures that were years, if not decades, in the making. Ronald Reagan's inauguration in 1981 ushered in a fervor for deregulation of the financial system. Led by evangelists such as Alan Greenspan, those with an almost religious and blind devotion to unfettered free markets pushed successfully to roll back existing financial protection rules and to prevent meaningful government supervision of new products and business models, such as swaps, regardless of the potential dangers they posed to the American people.

Thus, even as Alan Greenspan (whose views were enjoying significant bipartisan support) was confidently and erroneously explaining in 2005 that "private regulation generally has proved far better at constraining excessive risk-taking than has government regulation,"[5] significant risks were building up in the financial system out of sight of elected officials, policy makers, and regulators. What risks they did not see, they could not address much less manage, and unsurprisingly, the hidden risks eventually blew up, bringing the financial system and economy to the brink of collapse.[6]

Moreover, once the financial system started unraveling, the lack of current information exacerbated the crisis, as regulators seeking to respond to fast-moving, unprecedented events had to do so without adequate information about what was going on or where the real problems lay. The Financial Crisis Inquiry Report detailed how regulators were hamstrung and frustrated by their lack of knowledge as they tried to respond to the unfolding crisis:

> "As they now realized, regulators did not know nearly enough about over-the-counter derivatives activities at Lehman and other investment banks, which were

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5 Chairman Alan Greenspan, Risk Transfer and Financial Stability, Remarks To the Federal Reserve Bank of Chicago's Forty-first Annual Conference on Bank Structure, Chicago, Illinois (May 5, 2005), https://www.federalreserve.gov/boarddocs/speeches/2005/20050505/.

6 *See* Saule T. Omarova, *From Gramm-Leach-Bliley to Dodd-Frank: The Unfulfilled Promise of Section 23a of the Federal Reserve Act*, 89 N.C. L. REV. 1683, 1717 (2011).

> major OTC derivatives dealers. Investment banks disclosed the total number of OTC derivative contracts they had, the total exposures of the contracts, and their estimated market value, but they did not publicly report the terms of the contracts or the counterparties. Thus, there was no way to know who would be owed how much and when payments would have to be made—information that would be critically important to analyze the possible impact of a Lehman bankruptcy on derivatives counterparties and the financial markets."[7]

A similar theme was sounded by a report analyzing hedge funds' contribution to the financial crisis and to systemic risk:

> "Concerns about the lack of information on hedge funds were raised during the financial crisis. Regulators complained about the lack of transparency in hedge fund positions, leverage, and asset valuation and were frustrated by their inability to collect data on hedge funds. The secretiveness of hedge funds regarding their strategies and positions made it difficult for regulators and their creditors to fully understand the credit and market risks they pose."[8]

Quite clearly, regulators need access to information to perform their critical oversight functions, to protect excessive risk from building up in the financial system, and to respond in a meaningful and effective way to the sudden onset of potentially destabilizing events.

Congress, recognizing the importance of transparency to protecting markets, investors, and the economy, passed the Dodd-Frank Act, which in large part sought to "aggressively address gaps in information" related to private funds and other previously opaque financial intermediaries and instruments.[9] Included in that effort was Section 404, which authorized the SEC to require that advisers to private funds file reports with the Commission "as necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk by the Financial Stability Oversight Council."[10] Pursuant to Section 404, in 2011 the SEC adopted a rule requiring certain private fund advisers to periodically report certain information to the Commission, on a confidential basis, on Form PF.[11] As the SEC has explained, the information provided on Form PF has proven significantly beneficial, not only allowing it and FSOC to better

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7 Financial Crisis Inquiry Report 329 (2011), https://www.govinfo.gov/content/pkg/GPO-FCIC/pdf/GPO-FCIC.pdf.

8 Lloyd Dixon, Noreen Clancy & Krishna B. Kumar, Hedge Funds and Systemic Risk 63-64 (2012), https://www.rand.org/content/dam/rand/pubs/monographs/2012/RAND_MG1236.pdf. This was in spite of the fact that the President's Working Group on Financial Markets had explicitly recommended greater 0transparency from hedge funds, a recommendation that was ignored. *Id.*

9 Lloyd Dixon, Noreen Clancy & Krishna B. Kumar, Rand Corp., Hedge Funds and Systemic Risk xix (2012), https://www.rand.org/content/dam/rand/pubs/monographs/2012/RAND_MG1236.pdf.

10 15 U.S.C. § 80b-4. Section 404(b)(5) also introduced a mandatory element by providing that the SEC "shall" issue rules requiring each investment adviser to a private fund to file reports containing such information as the Commission deems necessary and appropriate in the public interest and for the protection of investors or for the assessment of systemic risk.

11 *See* Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, 76 Fed. Reg. 71,128 (Nov. 16, 2011).

monitor ongoing risks to the financial system but also enabling the agencies to better understand trends in broader financial markets, to better understand the practices of private funds, and to better understand how those practices are evolving over time. This information, in turn, has allowed the SEC to craft better rules and efficiently focus its regulatory resources.[12]

However, in the more than ten years since the original Form PF rule was finalized, both the number of private funds and the amounts and types of assets being invested in those funds have seen tremendous growth. For example, the value of assets reported on Form PF has more than doubled from $5 trillion in 2013 to $12 trillion in 2021, and the number of private funds reporting Form PF has increased by more than 50 percent.[13] Similarly, the investment strategies and fund structure complexity of these private funds has evolved, as well. Namely, private funds have increased their investments in "certain investment strategies, including credit, digital asset, litigation finance, and real estate strategies" as well as increased "exposures to repurchase agreements ("repos"), reverse repurchase agreements ("reverse repos"), and U.S. treasury securities."[14]

So, while Form PF has provided the Commissions and FSOC "with important information about the basic operations and strategies of private funds and has helped establish a baseline picture of the private fund industry for use in assessing systemic risk," the type of information being collected in Form PF must be recalibrated. Recent periods of market stress, including the market turmoil caused by the onset of the COVID-19 pandemic and resulting lockdowns in March 2020, and the trading frenzy surrounding GameStop and other so-called meme stocks in January 2021, have again highlighted the importance of having more granular information on significant market participants, including private funds with significant interconnectedness, during periods of financial market stress.

OVERVIEW OF THE PROPOSAL

The Commissions have proposed amendments under the Investment Advisers Act of 1940 to bolster the usefulness of Form PF and address information gaps that have developed in recent years. The Proposal includes amendments to each section of Form PF.

General Instructions

The Proposal makes several amendments to Form PF's general instructions, including requiring private fund advisers to separately report each component of the funds they advise. This

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12 U.S. Securities and Exchange Commission Annual Staff Report Relating to the Use of Form PF Data 5-6 (Nov. 3, 2020), https://www.sec.gov/files/2020-pf-report-to-congress.pdf.

13 Release at 53,833, note 7.

14 Release at 53,833-53,834 ("From 2015 through the end of 2020, qualifying hedge fund exposure to repos doubled to $2 trillion, while from 2013 through the end of 2020, qualifying hedge fund borrowings attributable to reverse repos more than doubled to $1.3 trillion. For the same period, qualifying hedge fund exposure to U.S. treasury securities increased by almost 70 percent to $1.7 trillion in aggregate qualifying hedge fund gross notional exposure").

disaggregation of funds advised by a private fund adviser would require the reporting of each component of a master-feeder arrangement and parallel fund structure.

Identifying Information – Section 1a

The Proposal makes several amendments to the collection of identifying information for all private fund advisers who are required to submit a Form PF and the funds they manage, including more granular information related to:

- Legal entity identifiers for advisers and related persons;
- Assets under management; and
- Explanation of assumptions.

All Private Funds – Section 1b

The Proposal would make several amendments to Section 1b of Form PF for all private fund advisers related to information about the funds they manage, including more granular information related to:

- Type of private fund;
- Master-feeder arrangements, internal private funds, external private funds, and parallel fund structures;
- Withdrawal or redemption rights;
- Trading vehicles;
- Gross asset value and net asset value;
- Inflows and outflows;
- Base currency;
- Fair value hierarchy;
- Beneficial ownership of the reporting fund; and
- Fund performance.

All Hedge Funds – Section 1c

The Proposal would make several amendments to Section 1c of Form PF concerning all hedge fund advisers, related to information about the operations and strategies of the hedge fund's adviser, including more granular information related to:

- investment strategies;
- counterparty exposures; and
- trading and clearing mechanisms.

Large Hedge Fund Advisers for Qualifying Hedge Funds – Section 2a and 2b

The Proposal would make several amendments to Section 2 of Form PF for large private advisers to Qualifying Hedge Funds with at least $500 million in assets under management. Specifically, the Proposal would remove Section 2a of the Form PF by eliminating reporting of aggregated information about the hedge fund. Section 2b, which would be redesignated as Section 2 of Form PF, would be amended to require advisers to report more granular information related to:

- Investment exposure;
- Borrowing and counterparty exposure;
- Market factor effects;
- Currency exposure reporting;
- Turnover;
- Country and industry exposure;
- Central clearing counterparty reporting;
- Risk metrics;
- Investment performance by strategy;
- Portfolio correlation;
- Portfolio liquidity; and
- Financing liquidity.

Instructions to Form PF

The Proposal would make several amendments to the instructions to Form PF designed to enhance data quality, including more granular information related to:

- Reporting percentages;
- Value of investment positions and counterparty exposures;
- Reporting of long and short positions;
- Calculating certain derivative values; and
- Currency conversions for reporting in U.S. dollars.

COMMENTS

I. Private Funds have trillions of dollars in assets under management and are deeply interconnected with the financial system.

Assessing the Proposal requires an appreciation of the important yet largely hidden role of private funds in the financial system and the economy. Private funds are deeply interconnected with the financial system and the economy more broadly. Private funds are involved in the credit

markets as both users and sources of credit; they invest significantly in both public and private markets; and especially in the case of private equity, they own and run operating companies. Additionally, many funds also manage and invest assets of Main Street savers (albeit a small percentage of their overall assets), including retirement savers and pension funds, and therefore, raise significant investor protection issues.

The value of private fund assets is enormous, and that number is only growing. In 2013, the gross value of assets under management by private funds was about $8 trillion.[15] As of the second quarter of 2021, that number had more than doubled to over $18 trillion.[16] This is a tremendous pool of capital and its deployment is obviously significant to the entire economy, and it therefore warrants meaningful oversight by the SEC.

Beyond the amount of money they manage and whose money it is, private funds are also deeply interconnected with the rest of the financial system, as well as the broader economy. These interconnections can pose significant risks. For example, hedge funds, as significant sources of speculative investment, can fuel speculative bubbles; during the runup to the financial crisis many hedge funds were heavily invested in the housing market, which contributed to the dramatic expansion of the housing bubble.[17] And, of course, they were deeply involved in creating the demand for derivatives to bet on the housing market, including in particular the creation and distribution of fraudulent and built-to-blow-up derivatives that played a central role in igniting the crash and spreading it around the globe.[18]

Hedge funds are also exposed to other important financial institutions through their prime brokerage relationships, which means that distress at a hedge fund can be transmitted to large banks and other systemically important institutions.[19] Private funds in stress may also be forced to engage in fire sales of assets in an attempt to survive. This can pose systemic risk, especially in times of market stress, because these fire sales can depress asset prices further, impacting other firms and creating a spiral of falling prices.

And obviously, each type of fund can have a direct and significant impact on the real economy. Hedge funds hold significant positions in the securities of operating companies; private equity funds directly own and operate operating companies, often to the detriment of other

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15 SEC Division of Risk Management, Private Fund Statistics: Fourth Quarter 2015 at 5 (Dec. 30, 2015), https://www.sec.gov/divisions/investment/private-funds-statistics/private-funds-statistics-2014-q4-accessible.pdf.

16 SEC Division of Risk Management, Private Fund Statistics: Second Quarter 2021 at 5 (Jan. 14, 2022), https://www.sec.gov/divisions/investment/private-funds-statistics/private-funds-statistics-2021-q2-accessible..pdf.

17 Lloyd Dixon, Noreen Clancy & Krishna B. Kumar, Rand Corp., Hedge Funds and Systemic Risk xix (2012), https://www.rand.org/content/dam/rand/pubs/monographs/2012/RAND_MG1236.pdf.

18 *See, e.g.,* Financial Crisis Inquiry Report Ch. 8 (2011), https://www.govinfo.gov/content/pkg/GPO-FCIC/pdf/GPO-FCIC.pdf.

19 Hossein Nabilou & Alessio M. Pacces, *The Hedge Fund Regulation Dilemma: Direct vs. Indirect Regulation*, 6 WM. & MARY BUS. L. REV. 183, 211 (2015) ("The top prime brokers are almost all LCFIs that have exposure to hedge funds and to each other. This interconnectedness makes them a key channel of systemic risk contagion stemming from hedge funds.").

stakeholders, including employees and customers; liquidity funds, like money market funds, invest in short-term debt such as commercial paper that is critical to the ongoing operations of many companies. Ultimately, distress at private funds will not be limited to the funds themselves but will have an impact on the financial system and the broader economy.

II. The Proposal addresses key information gaps in existing Form PF reporting and closing those gaps is both necessary and appropriate for the protection of investors and the monitoring of systemic risk.

The Proposal would address key information gaps identified by the Commissions and FSOC to better protect investors and monitor systemic risk within our financial markets. As mentioned previously, Section 404 of the Dodd-Frank Act amended the Investors Advisors Act and granted the SEC the authority to require certain investment advisers to private funds to file reports with the Commissions.[20] Since regulations were originally implemented in 2011, the Commissions and FSOC have required certain advisers to private funds to file reports with the Commissions – Form PF.

This congressionally granted authority's ***only limiting principle*** was "as necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk by the [FSOC]."[21] After nearly ten years of reviewing and assessing Form PF submissions by private fund advisers, it is necessary and appropriate for the Commissions and FSOC to revisit the quantity and quality of data being submitted in these reports to better protect investors and assess systemic risk.

As mentioned previously, the number of private funds required to submit Form PF has grown tremendously in the decade since the original Form PF regulations were adopted, as has the value of assets in those funds. Not only has the industry grown in size, but the types of strategies these funds deploy have evolved over this period as well. While the industry has grown and evolved over the past ten years, the data required to be submitted to the Commissions via Form PF should evolve as well. The Proposal rightfully focuses on recalibrating the types of data being collected and the quality of the data being reported. By requiring more granular reporting with respect to investment strategies and exposures of certain private funds, including removing the collection of duplicative data, FSOC will be better able to assess systemic risk and the Commissions will be better able to protect investors.

One example of the need for a recalibration of the data being collected in Form PF is how the current Form PF treats the aggregation of certain positions. Currently, Form PF allows qualifying hedge funds to aggregate their positions between physically held positions and synthetically held positions via the use of derivatives and indirect exposure. This aggregation can make it difficult to understand the role these funds play when turmoil strikes certain segments of

20 *See* 15 U.S.C. § 80b-4.
21 15 U.S.C. § 80b-4(b)(1).

financial markets.[22] The need for this enhancement in the Form PF was clearly revealed during the 2020 market instability:

> "[W]hen monitoring funds' activities during recent market events like the March 2020 COVID-19 turmoil, the existing aggregation of U.S. treasury securities with related derivatives did not reflect the role hedge funds played in the U.S. treasury market."[23]

The Proposal would ensure that Form PF submissions adequately reflect the various vehicles through which a fund can hold similar but separate positions. During times of market stress, this will better enable FSOC and the Commissions to assess the build-up of systemically risky positions in specific market sectors.

Another example of the need to update Form PF is the increased level of investment by hedge funds in digital assets and the rise of so-called "crypto-specialist" hedge funds, which barely existed when Form PF was originally adopted. A June 2022 report from PwC estimated that there are more than 300 crypto-specialist hedge funds globally and that a survey found that 38 percent of hedge funds were currently invested in digital assets.[24] Notably, we have already witnessed the failure of a large hedge fund in the digital assets space this year and the contagion that came with it, with the bankruptcy of Three Arrows Capital.[25]

A recent report from FSOC also confirms the need to include digital asset activity in Form PF. It observed that "[c]rypto-asset activities could pose risks to the stability of the U.S. financial system if their interconnectedness with the traditional financial system or their overall scale were to grow without adherence to or being paired with appropriate regulation."[26]

The Release includes numerous other examples of the need to recalibrate the quantity and quality of data currently being collected in Form PF that better reflect the strategies and operations of large private funds in today's markets. Congress was clear when it directed the Commissions to collect this information in order to protect investors and enable FSOC to assess systemic risk. After nearly ten years of experience collecting this data through Form PF, the Commissions now have a firm foundation on which to identify and address necessary upgrades to the reporting regime for private fund advisers, given the evolution of the markets. The final rule will better enable the Commissions and FSOC to carry out their congressionally mandated responsibilities.

III. The SEC should not be swayed by the financial industry's baseless arguments regarding cost-benefit analysis.

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22 Release at 53,855.

23 Release at 53,855.

24 PwC, Global Crypto Hedge Fund Report 2022 43, https://www.pwc.com/gx/en/financial-services/pdf/4th-annual-global-crypto-hedge-fund-report-june-2022.pdf.

25 *See* FSOC, Report on Digital Asset Financial Stability Risks and Regulation 2022 38, https://home.treasury.gov/system/files/261/FSOC-Digital-Assets-Report-2022.pdf.

26 FSOC, Report on Digital Asset Financial Stability Risks and Regulation 2022 4, https://home.treasury.gov/system/files/261/FSOC-Digital-Assets-Report-2022.pdf.

To its credit, the SEC has over the last several months been issuing a wide range of proposed rules designed to enhance investor protection, improve the fairness and transparency of our securities markets, and prevent the accumulation of systemic risk in the financial system. As it pursues this agenda, the SEC has been, and will undoubtedly continue to be, bombarded with attacks from the financial industry on the economic analysis that it has conducted for each proposed rule. These attacks are not supported by law, legislative history, or sound public policy.

These attacks distort and misrepresent the SEC's legal obligation to conduct economic analysis; they exaggerate the alleged costs and burdens of compliance with the new rules; and they downplay, if not ignore, the enormous benefits that the rules will confer, both individually and as part of a collection of rules that work together to achieve market reforms. More importantly, the industry never points out that the Dodd-Frank law was, in many respects, the re-regulation of the industry after it purchased deregulation in the decades before the 2008 crash. The Dodd-Frank law was enacted by Congress and the President knowing that it would—and was intended to—impose significant costs on the industry to protect the country from another catastrophic financial crash. More accurately, this public policy decision by the country's elected officials was less to ***impose*** costs on the industry than to ***shift*** costs back to the industry that arose directly from their profit-maximizing activities. The law, in many respects, merely required the financial industry to internalize the costs of its activities rather than shifting those costs to taxpayers via post-crash bailouts and economic calamities.

That's why, throughout the rulemaking process, the SEC must be guided above all by the law that requires the public interest and the protection of investors to be paramount as it considers the economic impact of its rules, not by special interest claims about the supposed costs of regulation imposed on industry.

Under securities laws, ***the SEC has no statutory duty to conduct a cost-benefit analysis***. The law clearly sets forth a far more limited obligation simply to:

> "consider, ***in addition to the protection of investors***, whether the action will promote efficiency, competition, and capital formation."[27]

The Proposal appropriately considers these factors, along with the paramount goal of investor protection.

For example, first and foremost, the Proposal will undoubtedly help protect investors "by identifying areas in need of outreach, examinations, and investigations in response to potential systemic risks, conflicting arrangements between advisers and investors, and other sources of investor harm."[28] Second, the rule will promote efficiency by streamlining reporting data, correcting potential reporting errors, capturing ongoing trends, and increasing data quality.[29] Third, the Proposal should not have any adverse consequences on competition because private fund advisers of a certain size already have to submit this form and because the information

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27 *See, e.g.,* 78 U.S.C. § 78c(f) (emphasis added).
28 Release at 53,875.
29 Release at 53,875.

provided on the Form PF is confidential.[30] Finally, the Proposal should not have any adverse consequences on capital formation for the same reasons it will not harm competition.[31]

The SEC acknowledges that "many of the benefits and costs…are difficult to quantify."[32] The Proposal further comments that while the SEC has attempted to quantify the economic costs where possible, much of the analysis focuses on the qualitative economic effects.[33]

These are appropriate observations about the inevitable difficulties surrounding attempts at quantitative cost-benefit analysis; they are not failings of the SEC that suggest any legal infirmities in the Proposal itself. As the D.C. Circuit has explained, in *Nat'l Ass'n of Mfrs. v. SEC*,[34]

> "An agency is not required to measure the immeasurable, and need not conduct a rigorous, quantitative economic analysis unless the statute explicitly directs it to do so."

Congress has never imposed such a duty or requirement on the SEC. Indeed, as Better Markets has consistently demonstrated, quantitative cost-benefit analysis is, for a host of reasons, a poor methodology for evaluating financial regulation: it is unreliable, speculative, and biased in favor of industry's relentless concerns with minimizing compliance costs while maximizing profits. Moreover, it consumes far more in agency resources than it is worth and ultimately sets the stage for a court challenge instigated by the disgruntled members of industry, all to the detriment of investors and the public interest.[35]

While we have no doubt that the Proposal, once finalized, will confer far more benefits than costs, the fact remains that the SEC has no statutory duty to quantify costs or benefits, weigh them against each other, or find that a rule will confer a net benefit before promulgating it. Congress deliberately refrained from imposing such onerous, unrealistic, and counterproductive obligations on the SEC, as reflected in the law. That decision was also entirely consistent with sound public policy: Private industries seeking to maximize their profits should also bear the costs of those activities and not be permitted to shift them to the public, particularly here where that shift has such enormous and harmful consequences for the country.

CONCLUSION

We hope these comments are helpful as the Commissions finalize the Proposal.

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30 Release at 53,875.
31 Release at 53,875.
32 Release at 53,872.
33 Release at 53,872.
34 748 F. 3d 359 (D.C. Cir. 2014).
35 *See, e.g.,* Better Markets, Cost-Benefit Analysis in Consumer and Investor Protection Regulation: An Overview and Update (Dec. 8, 2020), https://bettermarkets.org/sites/default/files/Better_Markets_WhitePaper_CBA_Consumer_Investor_Investor_Protection_Dec-2020.pdf; Better Markets, Setting the Record Straight on Cost-Benefit Analysis and Financial Reform at the SEC (July 30, 2012), https://bettermarkets.com/sites/default/files/Setting%20The%20Record%20Straight.pdf.

Sincerely,

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