

Aug 27, 2024

Ms. Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

## **Petition for Rulemaking: Amend Clearing Agency Rules for Consistent Close Outs**

Dear Ms. Countryman,

As a retail investor, I respectfully submit this petition for rulemaking pursuant to [Rule 192](#) of the Securities and Exchange Commission's ("SEC") Rules of Practice [1], to request that the SEC amend Rules 18 and 22 of [National Securities Clearing Corporation \("NSCC"\) Rules & Procedures](#) [2] to provide investors with clarity and certainty regarding settlement of guaranteed transactions, strengthen the resilience of a registered Clearing agency (e.g., the NSCC) for their role as a central counterparty (CCP), and support the stability of our financial markets and financial system by incentivizing appropriate risk management practices by market participants.

I respectfully submit this petition consistent with the SEC's website for [Petitions for Rulemaking Submitted to the SEC](#) [3] which states "[a]ny person may request that the Commission issue, amend or repeal a rule of general application" where "[p]etitions must be filed with the Secretary of the Commission" and "[p]etitions may be submitted via electronic mail to Secretarys-Office@SEC.GOV (preferred method)". This petition also satisfies requirements that "[p]etitions must contain the text or substance of any proposed rule or amendment or specify the rule or portion of a rule requested to be repealed" and "petitions must also include a statement of their interest and/or reasons for requesting Commission action." [Id.]

### **Background**

It has come to the attention of retail investors and advocacy groups such as WhyDRS.org that NSCC Rules and Procedures do not codify strict procedures for closing out positions (e.g., in the event of a Member default). Per [NSCC's Disclosure Framework for Covered Clearing Agencies and Financial Market Infrastructures](#), "[a]s a cash market CCP, if a Member defaults, NSCC will need to complete settlement of guaranteed transactions on the failing Member's behalf" [4 "Liquidity risk management framework"]. However, NSCC Rule 18 SEC. 6(a) contains a provision that "if, in the **opinion** of the Corporation, the close out of a position in a specific security would create a **disorderly market** in that security, then the completion of such close-out shall be in the **discretion** of the Corporation".

Retail investors like myself are concerned about potential market distortion and market manipulation arising from the discretion afforded to the NSCC based solely on the NSCC's unreviewed and private opinion regarding the [in-]completion of a close-out of a position in a specific security that could distort markets and/or create disorderly markets. A few questions must be considered:

- 1) What is the underlying root cause of the disorderly market?
- 2) How can this lead to market distortions and/or manipulation?
- 3) Who is responsible for the costs of closing out a position which would create a disorderly market?

4) How do we fix this?

## **1. What is the underlying root cause?**

The answer to this first question can be found by starting from NSCC Rule 18 where the cause of a disorderly market is a Member building up a position that would create a disorderly market if closed out. Members with increasingly disruptive positions eventually become de facto Too Big To Fail as their failure would create a sufficiently disorderly market for one (or more) securities that could pose systemic risks to our financial system. [5]

Thus as a Member's risk of default increases, the Member is perversely incentivized to increase the risk the Member poses to the financial system by building up more positions that would be disorderly to close in order to ensure a bail-in or bail-out to socialize losses amongst investors and taxpayers (again) [6]. If and when a Member defaults, any associated risks and costs are covered by CCPs, including the NSCC and Options Clearing Corporation ("OCC") which maintain settlement guarantees [7].

As a Systemically Important Financial Market Utility (SIFMU) designated CCP, the NSCC "provides clearing, settlement, risk management, central counterparty services and a guarantee of completion for certain transactions for virtually all broker-to-broker trades involving equities, corporate and municipal debt, American depositary receipts, exchange-traded funds, and unit investment trusts" [8]. When a "Too Big To Fail" Member privatizes profits without sufficient risk management, risks and costs of a Member failure are socialized through CCPs which maintain guarantees on settlement and transactions, including the NSCC which has rules, regulations, and procedures attempting to maintain financial market stability.

The current regulatory framework significantly handicaps CCPs, including the NSCC, in their ability to maintain financial market stability. Certain Members may privatize profits and socialize losses by building large high risk portfolios yielding short term profits for their executives where the Member's failure would create a disorderly market and systemic risk allowing the Members to take the financial system hostage for a bailout. It is effectively impossible for CCPs to maintain financial market stability against Members incentivized to build up positions that would be disorderly for a CCP to close out.

## **2. How can this lead to market distortions and market manipulation?**

Misaligned incentives. [Adam Smith's invisible hand](#) explains why Members will follow incentives to build positions that would create a disorderly market if closed out because these positions are profitable for them and costly to others. As a result, a build up of these positions have been and continue to result in market distortions and market manipulation. As an example, a naked short position [9] in a security held by a Member that is not closed out due to a fear of creating a disorderly market naturally distorts the market by increasing the amount of that security in circulation. In economic terms, the supply of the security has increased as a result of a naked short transaction where a delay or failure to close out the naked short position, due to fear of creating a disorderly market, secretly perpetuates a market distortion by artificially and non-publicly [10] inflating supply.

When CCPs become responsible for these disorder creating positions, their goal of maintaining financial market stability (e.g., by prioritizing price stability) prevents the CCPs from closing out positions that may disrupt the market; which then perpetuates market distortions as outstanding transactions are guaranteed, but not closed out. Obviously, SIFMU designated CCPs guaranteeing open transactions for fear of disrupting the market poses systemic risks to our financial system; especially as accumulating guarantees will inevitably overwhelm the risk management capability of a CCP.

CCPs prioritizing price stability to avoid the appearance of market distortions handicaps the CCPs abilities to maintain overall financial market stability resulting in larger systemic risks to our financial markets when guarantees on market disruptive positions accumulate. This is especially problematic when our current regulatory framework incentivizes the creation of market distortions by Members and shifts the costs and burden for unwinding those distortions to a CCP. In essence, Members are incentivized to build up positions that would create a disorderly market if closed out (e.g., significantly large short positions) for short term profit, become Too Big To Fail when their significant obligations pose a systemic risk, and then transfer the costs of those obligations to a CCP upon failure. Privatized profits and socialized losses, *again*.

### **3. Who is responsible for the costs?**

Certain financial market participant members are clearly responsible for building costly positions which pose a threat of disrupting markets. For example, financial market participant members with the aforementioned example of naked short positions face a risk of unlimited loss. These risks are guaranteed by a CCP in the event a Member with this type of unlimited loss position fails. There is no comparable real world analogue to our financial markets which allows a naked short sale, cashing out, and defaulting because selling something one does not have is never tolerated, except in our financial system where a CCP and the general public are currently guaranteeing, and thus responsible for, closing costs.

A market in which some privatize profits while socializing losses through bailouts (or bail-ins) is clearly unfair and must be addressed. The status quo can not continue especially with more people becoming aware of the underlying systemic issues (many of which were raised previously and remained unaddressed). [11]

### **4. How do we fix this?**

As popularized by the authors of [Freakonomics](#), we must identify misaligned incentives in our regulatory framework and change our regulatory framework to align incentives so that the invisible hand guides financial market participants towards the desired behavior. As described above, certain financial market participant members profit from risky positions which could pose a disruptive threat if closed (e.g., naked short positions) where the costs of closing those positions are guaranteed by a CCP. Profit without risk is a clearly misaligned incentive structure where those financial market participants may compensate themselves lavishly for short term profits while the ensuing risks and costs are later transferred to a CCP upon default.

Fixing this misaligned incentive structure requires financial market participants to be responsible for the costs of closing out their positions; including clawing back compensation, if necessary, to properly allocate costs to the responsible parties. CCPs, including the NSCC and OCC, have defined Loss Allocation Waterfalls [12] which define the allocation of costs and should be amended to first allocate costs to the responsible parties before other financial market participants. NSCC's loss allocation waterfall allocates losses first to the Defaulting Member followed by Corporate Contributions by other Members. [Id.] OCC's loss allocation waterfall allocates losses first to the margin deposits and clearing fund deposits of the suspended firm, followed by OCC's own pre-funded financial resources, and then clearing fund deposits of non-defaulting firms and EDCP unvested balance, and clearing fund assessments. [Id.] Neither loss allocation waterfalls include executives of a defaulting Member; a key oversight which allows Members to compensate their executives for short term profits while long term risks and costs are to be transferred to a CCP upon default and/or suspension of the Member. Therefore, changes are proposed below to include clawing back compensation and assets from executives of a defaulting and/or suspended Member for reimbursing a CCP for the costs of closing out positions that may be disruptive to the market.

In order to ensure fairness for all market participants, CCPs should have defined procedures for completing settlement of and/or closing out guaranteed transactions and/or positions. Strictly defined procedures eliminate bias, ambiguity, and discretion which avoid potential for unfair, preferential, and/or discriminatory actions by CCPs. Changes are proposed below to specify strict rules on closing out positions regardless of any disorder that may be caused. As this Petition proposes to include executives of a defaulting and/or suspended Member in the loss allocation waterfalls for the costs of closing out positions, including those which may be disruptive to the market, Members (including their executives) are explicitly disincentivized from attempting to shift risks and costs to a CCP which will have strictly defined processes for closing out positions. Using the very familiar and commonly understood “you break it, you bought it” concept, this proposal ensures that executives of any Member with positions that may disrupt the market when closed out are also responsible for the costs of disrupting the market to encourage and incentivize appropriate risk management practices.

As proposed, all executives (past or present) of a disruptive Member are obligated to reimburse the CCP for losses up to an amount equivalent to their preceding 5 years of compensation from the Member. This approach ensures that (a) only the compensation received from the disruptive Member is at risk, and (b) short, medium, and long term risk management are encouraged by clawing back compensation from the 5 years prior to default. Including past executives ensures that a Member does not simply switch out the executive team so that past executives transfer responsibility for their actions to new, potentially innocent, executives.

## **Proposed Changes**

Regarding the text and substance of the amendment, I request that the NSCC modify Rules 4, 18, and 22 of the NSCC’s Rules and Procedures to address the aforementioned issues by:

- (a) codifying strict procedures for completing settlement of guaranteed transactions,
- (b) removing ambiguity and discretion,
- (c) enhancing the liquidity and strengthening the resilience of SIFMUs, particularly registered Clearing agencies such as the NSCC and OCC,
- (d) supporting the overall stability of our financial markets and financial system, and
- (e) incentivizing appropriate risk management practices of financial market participants.

With respect to the text of the proposed changes itemized below (blue and ~~strikethrough~~, where available), additions are identified by square brackets (i.e., “[“ and “]”) and double-dashes (i.e., “--”) indicate deletions.

## **NSCC Rule 4 Proposed Change**

SEC. 4. Loss Allocation Waterfall, Off-the-Market Transactions.

Each Member[, including its executives,] shall be obligated to the Corporation for the entire amount of any loss or liability incurred by the Corporation arising out of or relating to any Defaulting Member Event with respect to such Member. [To the extent that such loss or liability is not satisfied by the Member, all executives of the Member (past or present) shall be obligated to the Corporation for an amount equivalent to the preceding 5 years of compensation from the Member.] To the extent that such loss or liability is not satisfied pursuant to Section 3 of this Rule 4, the Corporation shall apply a Corporate Contribution thereto

and charge the remaining amount of such loss or liability ratably to other Members, as further provided below.

## **NSCC Rule 18 Proposed Change**

SEC. 6. (a) Promptly after the Corporation has given notice that it has ceased to act for the Member, and in a manner consistent with the provisions of Section 3, the Net Close Out Position with respect to each CNS Security shall be closed out (whether it be by buying in, selling out or otherwise liquidating the position) by the Corporation--; provided however, if, in the opinion of the Corporation, the close out of a position in a specific security would create a disorderly market in that security, then the completion of such close-out shall be in the discretion of the Corporation--.

## **NSCC Rule 22 Proposed Change (Option A – Public Notice)**

### **RULE 22. SUSPENSION OF RULES**

The time fixed by these Rules, the Procedures or any regulations issued by the Corporation for the doing of any act or acts may be extended or the doing of any act or acts required by these Rules, the Procedures or any regulations issued by the Corporation may be waived or any provision of these Rules, the Procedures or any regulations issued by the Corporation may be suspended by the Board of Directors or by the Chairman of the Board, the President, the General Counsel or such other officers of the Corporation having a rank of Managing Director or higher whenever, in its or his judgment, such extension, waiver or suspension is necessary or expedient.

A written report of any such extension, waiver or suspension (other than an extension of time of less than eight hours), stating the pertinent facts, the identity of the person or persons who authorized such extension, waiver or suspension and the reason such extension, waiver or suspension was deemed necessary or expedient, shall be promptly made [and published on the Corporation's website for access by the general public within 1 business day] and filed with the Corporation's records and shall be available for inspection by any [person,] Member, Mutual Fund/Insurance Services Member, Municipal Comparison Only Member, Insurance Carrier/Retirement Services Member, TPA Member, TPP Member, Investment Manager/Agent Member, Fund Member, Data Services Only Member or AIP Member during regular business hours on Business Days. Any such extension or waiver may continue in effect after the event or events giving rise thereto but shall not continue in effect for more than 60 calendar days after the date thereof unless it shall be approved [by] the Board of Directors within such period of 60 calendar days [with a written report made and published as described by this paragraph].

## **NSCC Rule 22 Proposed Change (Option B – No Exceptions)**

### **RULE 22. --SUSPENSION OF RULES--[No Exceptions]**

--The time fixed by these Rules, the Procedures or any regulations issued by the Corporation for the doing of any act or acts may be extended or the doing of any act or acts required by these Rules, the Procedures or any regulations issued by the Corporation may be waived or any provision of these Rules, the Procedures or any regulations issued by the Corporation may be suspended by the Board of Directors or by the Chairman of the Board, the President, the General Counsel or such other officers of the Corporation having a rank of Managing Director or higher whenever, in its or his judgment, such extension, waiver or suspension is necessary or expedient.

~~A written report of any such extension, waiver or suspension (other than an extension of time of less than eight hours), stating the pertinent facts, the identity of the person or persons who authorized such extension, waiver or suspension and the reason such extension, waiver or suspension was deemed necessary or expedient, shall be promptly made and filed with the Corporation's records and shall be available for inspection by any Member, Mutual Fund/Insurance Services Member, Municipal Comparison Only Member, Insurance Carrier/Retirement Services Member, TPA Member, TPP Member, Investment Manager/Agent Member, Fund Member, Data Services Only Member or AIP Member during regular business hours on Business Days. Any such extension or waiver may continue in effect after the event or events giving rise thereto but shall not continue in effect for more than 60 calendar days after the date thereof unless it shall be approved the Board of Directors within such period of 60 calendar days.--~~

~~[The time fixed by these Rules, the Procedures or any regulations issued by the Corporation for the doing of any act or acts may not be extended. The doing of any act or acts required by these Rules, the Procedures or any regulations issued by the Corporation may not be waived and any provision of these Rules, the Procedures or any regulations issued by the Corporation may not be suspended.~~

~~A written report of any deviation from these Rules, Procedures or any regulations issued by the Corporation (including extension, waiver or suspension), stating the pertinent facts, the identity of the person or persons who authorized such extension, waiver or suspension and the reason such extension, waiver or suspension was deemed necessary or expedient, shall be promptly made and published on the Corporation's website for access by the general public within 1 business day and filed with the Corporation's records and shall be available for inspection by any person, Member, Mutual Fund/Insurance Services Member, Municipal Comparison Only Member, Insurance Carrier/Retirement Services Member, TPA Member, TPP Member, Investment Manager/Agent Member, Fund Member, Data Services Only Member or AIP Member during regular business hours on Business Days.]~~

## **Final Remarks**

As a retail investor, I believe these enhancements to NSCC Rules 4, 18 and 22 will protect all investors; maintain fair, orderly, and efficient markets; and facilitate capital formation in accordance with the SEC's mission. Removing ambiguity and discretion by codifying strict procedures for completing settlement of guaranteed transactions at our CCPs ensures consistent clearance and settlement procedures are well defined for all market participants fostering a level playing field for everyone. Of the two options proposed for NSCC Rule 22, Option B "No Exceptions" is preferable to Option A in ensuring consistent application of Rules, Procedures, and regulations issued by the CCP. Option A is proposed with the acknowledgement that flexibility in managing situations can be helpful, but NSCC Rule 22 would need to mandate full disclosure to the public to avoid distorting markets as reducing information asymmetries leads to more efficient and fair markets.

These enhancements to NSCC Rules foster a "you broke it, you bought it" environment where costs for closing out positions, including those which may be disruptive, are first paid by the defaulting Member(s) and its executives with defined and consistent application of clearance and settlement procedures. Including clawbacks for executive compensation in the loss allocation waterfall introduces another loss absorbing resource and incentivizes proactive risk management practices over the short, medium, and long term which simultaneously discourages socializing losses for privatized profits. Thus, the proposed enhancements to the loss allocation waterfall enhances the liquidity and strengthens the resilience of

registered Clearing agencies, such as the NSCC, which supports the overall stability of our financial markets and financial system. [13]

Retail investors like myself appreciate the opportunity to submit this petition for rulemaking and respectfully request that the Commission act on it promptly for the NSCC with similar conforming changes for the DTC (e.g., Rules 4 and 18), FICC Government Securities Division (e.g., Rules 4 and 42), FICC Mortgage Backed Securities Division (e.g., Rules 4 and 33), and elsewhere as applicable (e.g., Options Clearing Corporation “OCC” which describes their loss allocation waterfall in “OCC’s Clearing Member Default Rules and Procedures” [15]).

Sincerely,

A Concerned Retail Investor



[1] [17 C.F.R. § 201.192\(a\)](#)

[2] NSCC Rules & Procedures are currently available at [https://www.dtcc.com/~media/Files/Downloads/legal/rules/nscc\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf)

[3] <https://www.sec.gov/rules-regulations/petitions-rulemaking-submitted-to-sec>

[4] [https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/NSCC\\_Disclosure\\_Framework.pdf](https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/NSCC_Disclosure_Framework.pdf)

[5] For a publicly available description of this issue, see “This is how Wall St ensures heads they win and tails you lose” at

[https://www.reddit.com/r/Superstonk/comments/yhx48w/this\\_is\\_how\\_wall\\_st\\_ensures\\_heads\\_they\\_win\\_and/](https://www.reddit.com/r/Superstonk/comments/yhx48w/this_is_how_wall_st_ensures_heads_they_win_and/) which describes the moral hazard problem created by Too Big To Fail based on a 1996 paper titled "Banks with Something to Lose: The Disciplinary Role of Franchise Value"

[<https://www.newyorkfed.org/research/epr/96v02n2/9610dems.html>] available from the Federal Reserve Bank of NY.

[6] Decades after the Global Financial Crisis, options for resolving large financial institutions remain limited with bail-ins potentially replacing the unpopular bail outs. See, e.g., Investopedia (<https://www.investopedia.com/terms/b/bailin.asp>) and the Federal Reserve Bank of New York’s “Why Bail-In? And How!” (<https://www.newyorkfed.org/medialibrary/media/research/epr/2014/1412somm.pdf/1000>). While bail-ins are theoretically more palatable with creditors absorbing losses instead of taxpayers, self serving profit motivated financial institutions remain committed to shifting losses to others as exemplified by the Federal Reserve and Federal Deposit Insurance Corporation (FDIC) which proposed to have new bond investors absorb losses first [2022 Proposed Rule Federal Reserve Docket R-1786 RIN 7100-AG4 and FDIC RIN 3064-AF86 available on the Federal Register at <https://www.federalregister.gov/documents/2022/10/24/2022-23003/resolution-related-resource-requirements-for-large-banking-organizations>]. Additional discussion regarding this proposed rule may be found on Reddit

([https://www.reddit.com/r/Superstonk/comments/zdebh6/comment\\_against\\_the\\_federal\\_reserve\\_fdic\\_proposal/](https://www.reddit.com/r/Superstonk/comments/zdebh6/comment_against_the_federal_reserve_fdic_proposal/) and [https://www.reddit.com/r/Superstonk/comments/163ztcz/federal\\_reserve\\_fdic\\_seeking\\_bag\\_holders/](https://www.reddit.com/r/Superstonk/comments/163ztcz/federal_reserve_fdic_seeking_bag_holders/)) which note that this strategy was successfully implemented with the failure of Credit Suisse where AT1 “bonds were created precisely for such situations” to “be fully written off in the event of a trigger event”.

[7] See, e.g., <https://www.federalregister.gov/documents/2023/08/30/2023-18670/self-regulatory-organizations-national-securities-clearing-corporation-notice-of-filing-of-proposed> which discusses the Existing Accord for the transfer between OCC and NSCC of responsibility for settlement obligations including the time when OCC’s settlement guarantee ends and NSCC’s settlement guarantee begins.

[8] <https://www.dtcc.com/about/businesses-and-subidiaries/nscc>

[9] While a naked short position is used as an example here, it is only chosen as an example due to its inherent risk of unlimited loss. Any type of position could become risky as an extremely large long position could also lead to a disorderly market on close out even with limited loss potential. A large short position (whether naked or borrowed) is of particular relevance as the SEC’s Staff Release GameStop Report [<https://www.sec.gov/page/sec-staff-release-gamestop-report>] noted that GameStop (GME) had significant short interest (as a percent of float) in January 2021 of 122.97% with “short interest of more than shares outstanding in January 2021” [Id. pg 21].

[10] Per the current NSCC Rule 22, only certain parties have access to records of any extension, waiver, or suspension of rules related to not closing out a position. A much smaller subset of those parties with access are actively made aware of the situation. One option to mitigate market distortions would be to timely (i.e., immediately) make the written reports of Rule 22, including the pertinent facts, available to the SEC and to the general public as proposed for NSCC Rule 22 as Option A - Public Notice.

[11] For example, naked shorts and failures to deliver were documented in Dr. Susanne Trimboth’s book “Naked, Short and Greedy: Wall Street’s Failure to Deliver” and in 2008 the SEC halted short selling of financial stocks (and



only financial stocks) in an emergency action “to combat market manipulation” and “restore equilibrium to markets”. [See, e.g., <https://www.sec.gov/news/press/2008/2008-211.htm>]

[12] NSCC’s Loss Allocation Waterfall may be found in, for example, NSCC’s Rules Rule 4 SEC 4 “Loss Allocation Waterfall, Off-the-Market Transactions”. OCC’s Loss Allocation Waterfall is described in OCC’s Clearing Member Default Rules and Procedures [<https://www.theocc.com/getmedia/e8792e3c-8802-4f5d-bef2-ada408ed1d96/default-rules-and-procedures.pdf>] publicly linked to from the OCC’s website on Default Rules & Procedures [<https://www.theocc.com/risk-management/default-rules-and-procedures>].

[13] The SEC has supported adoption of rules which “helps foster more resilient clearinghouses” [<https://www.sec.gov/newsroom/press-releases/2023-236>] where the need for more resilient clearinghouses is discussed in more detail on Reddit [[https://www.reddit.com/r/Superstonk/comments/17wzqc4/clearinghouses\\_busted\\_confirmation\\_bias\\_from\\_the/](https://www.reddit.com/r/Superstonk/comments/17wzqc4/clearinghouses_busted_confirmation_bias_from_the/)].

[14] See, e.g., DTC Rules [[https://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc_rules.pdf)], FICC Government Securities Division Rules [[https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc\\_gov\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_gov_rules.pdf)], and FICC Mortgage Backed Securities Division Rules [[https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc\\_mbsd\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_mbsd_rules.pdf)] where DTC Rule 18 “WAIVER OR SUSPENSION OF RULES AND PROCEDURES”, FICC Government Securities Division Rule 42 “SUSPENSION OF RULES”, and FICC Mortgage Backed Securities Division Rule 33 “SUSPENSION OF RULES IN EMERGENCY CIRCUMSTANCES” are similar to NSCC Rule 22 “SUSPENSION OF RULES” while DTC Rule 4 Section 5 “Loss Allocation Waterfall” and FICC’s Rule 4 “CLEARING FUND AND LOSS ALLOCATION” are similar to NSCC Rule 4 in defining their loss allocation waterfalls.

[15] See, e.g., <https://www.theocc.com/getmedia/e8792e3c-8802-4f5d-bef2-ada408ed1d96/default-rules-and-procedures.pdf> which is linked to from <https://www.theocc.com/risk-management/default-rules-and-procedures>.