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When will you start doing your job and extend this so called 'emergency rule' to all stocks since it is already illegal? Why exempt the hedge funds? How about start taking comments on the subject again for a year or so and then do nothing about it. You have to start protecting all instead of some. Americans need for you to start doing your job again. Please stop the bleeding.

Naked Short Selling is an illegal stock trading strategy in which phantom shares are sold as real shares, with the purchasing transaction taking place, but no actual stock being delivered. As opposed to a legitimate short sale, in which shares are borrowed and sold, with the seller hoping to buy the shares back at a lower price (cover), a naked short sale never actually locates or borrows the shares. The stock is simply sold as an IOU, which is placed in the purchasers account and never reconciled.

Certain parties have used fails to deliver as a way to manipulate the stock price of certain securities, in combination with the release of 'negative news' rumors about those securities. By flooding the market with phantom shares, the stock price can be steadily driven down as more and more phantom shares are created and sold at lower and lower prices.

The SEC has recently admitted that this practice not only exists, but is a severe threat to the health of the United States' financial markets. This is a revelation, as for many years, the SEC denied that naked short selling was taking place at all. In July of 2008, as Bear Sterns collapsed and Freddie Mac and Fannie Mae began to follow suit, the SEC released an 'emergency' rule to prevent 'naked shorting' of those and some other financial stocks, ironically restating the fact that naked short selling was already illegal and under their jurisdiction to prosecute. After intense lobbying by both hedge funds and market makers, exemptions were added to the rule that will allow certain parties to continue this practice in order to 'maintain market liquidity'.