

September 13, 2007

Nancy M. Morris
Secretary
Securities and Exchange Commission
Washington, DC 20549-1090

Re: Comment – Amendments to Regulation SHO
File No. S7-19-07

Dear Ms. Morris:

As the Attorney General for the State of Utah, I appreciate the Commission's response to previous comments and the recent repeal of the Regulation SHO grandfather provision. However, as the chief law enforcement officer in Utah, I remain concerned with the impact that abusive naked short selling has on our capital markets, public companies, and innocent shareholders. I am concerned that, despite the Commission's recent efforts and Chairman Cox's public comments, the abuses of naked short selling, and the need to end this manipulative practice, continue. As I stated in my September 18, 2006 comment letter on previously proposed amendments to Regulation SHO, I believe that the Commission must do even more to end naked short selling. Specifically, I ask that the Commission:

- (1) impose in Regulation SHO a requirement of a firm location of shares to be borrowed before a short sale can be executed; and
- (2) enable transparency in this area by requiring timely disclosure of the volume of failures-to-deliver shares of companies on the Regulation SHO threshold list.

In my view, these two additional changes, together with the grandfather repeal, and a prompt adoption of the proposed repeal of the options market maker exception, will end the abuse of naked short selling.

I commend the Commission's action to strengthen Regulation SHO through the elimination of Regulation SHO's grandfather provision, and I support the Commission's proposal to eliminate Regulation SHO's options market maker exception. I urge the Commission to complete the administrative steps to accomplish the options market maker change as quickly as possible. This exception has been a well known tool of manipulation and must be eliminated promptly to ensure a level playing field for public companies and shareholders.

I reiterate, however, that while we are convinced that elimination of the grandfather provision and the options market maker exception will significantly strengthen Regulation SHO, these changes alone, while important, will not adequately solve the problem that results in continued naked short selling and failures-to-deliver. Only the imposition in Regulation SHO of a firm locate requirement and more transparency on failures-to-deliver will complete the task.

Sincerely,

Mark L. Shurtleff
Attorney General
State of Utah