

May 17, 2005

Jonathan G. Katz, Secretary, Securities Exchange Commission

Barbara Z. Sweeney, Senior Vice President and Corporate Secretary, NASD

RE: SEC File No. 4-500. Request for Rulemaking Regarding Member Records of "Short" Positions and Reporting and Public Dissemination of Aggregate Positions by Security.

Dear Mr. Katz, Ms. Sweeney,

I echo the sentiment and comments of R. Cromwell Coulson - Chairman & CEO of the Pink Sheets. The amendment of NASD Rule 3360 is long overdue. (Mr. Coulson's open letter is included below for reference)

Our markets, no matter how small, are in absolute need of transparency otherwise they become rife with blatant manipulations. I am both a private investor and manager of an investment fund who can speak firsthand about the needless destruction of personal and corporate wealth that is occurring and has been occurring for some time now. Trading in shares on the OTC market is difficult enough due to the limited availability of corporate and financial information arising from less restrictive filing requirements placed on OTC companies. However adding the unexpected manipulations of short positions sends investors a needless challenge. In many cases stop loss prices are hit, and investors throw their hands up in disgust.

There are many wonderful companies on the OTC market with stellar business plans. I have managed to find some of these "hidden gems" through tireless research. In many cases I have invested only to see market capitalizations decimated without justification. Many times the companies themselves are at a loss as to how explain a decline in share price.

To quote Mr. Coulson, "*The SEC's action is urgently needed to prevent fraudulent acts, expose market manipulation, promote fair principles of trade and protect investors*". I simply could not have said it better myself.

With respect I urge you, in the strongest possible terms, to introduce the transparency and protections every investor has the right to expect from a public investment marketplace.

Sincerely,

Wayne C. Beek

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Dear OTC Investor:

I am writing to alert you of a very important rule change that is needed to improve the OTC marketplace. I need your help to make regulators turn on the lights and protect investors from the menace of hidden short selling in the OTC market.

I think you'll agree that this issue deserves the small amount of your time it will take for you to tell the SEC what you think about this issue.

As Chairman & CEO of the Pink Sheets, I know perhaps better than anyone the importance of improving the Pink Sheets and OTCBB trading. And I know the devastating impact that small companies face when their market is tarnished by the threat of manipulation.

There is a crisis facing the OTC market today in the lack of short sale position reporting and disclosure for OTC issues. This lack of transparency regarding short selling in the OTC market allows fraudulent acts to go undiscovered and manipulative short sellers to hide.

I believe regulators should fix the problem. Small issuers traded on the Pink Sheets and the OTCBB deserve the same transparency and regulatory oversight of short selling as those listed on Exchanges or NASDAQ.

Therefore, Pink Sheets has petitioned the SEC to cause the amendment of NASD Rule 3360 and require NASD broker dealers to maintain a record of total "short" positions in all customer and proprietary firm accounts in all publicly traded equity securities as well as report this information to the NASD for public dissemination of the short positions by security. The SEC's action is urgently needed to prevent fraudulent acts, expose market manipulation, promote fair principles of trade and protect investors.

Our full rule change request is available for you to read at: <http://sec.gov/rules/petitions/petn4-500.pdf> and comments by other concerned OTC market participants are available at: <http://sec.gov/rules/petitions/4-500.shtml>

But I cannot make this important rule change happen without your help. Thus I'm asking you to write a letter today, and voice your support to the SEC for the Pink Sheets' Request for Rulemaking Regarding Member Records of "Short" Positions and Reporting and Public Dissemination.

So please send your comments via Email to: [rule-comments@sec.gov](mailto:rule-comments@sec.gov) with a Cc: copy to: [pubcom@nasd.com](mailto:pubcom@nasd.com)

Or, if it's more convenient, you can mail your comments to:

Jonathan G. Katz  
Secretary, Securities Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

With a copy to:

Barbara Z. Sweeney  
Senior Vice President and Corporate Secretary, NASD  
1735 K Street, NW  
Washington DC 20006-1500;

Either way, your Email or letter should refer to SEC File No. 4-500. Request for Rulemaking Regarding Member Records of "Short" Positions and Reporting and Public Dissemination of Aggregate Positions by Security.

I know I'm asking you to do a lot. But it's important that we make the OTC market transparent and fairly regulated. I think you'll agree that this issue deserves the small amount of your time to tell the SEC what you think about this issue.

Remember, the only way to succeed in achieving this rule change is through the public outcry of investors demanding the SEC make this needed improvement to the OTC markets, and there is no substitute for your personal voice in this debate. This important rule change is not going to happen if you remain silent.

So please, don't rely on others to get the job done. Write your Emails or letters today. Together, we must win this battle and convince the SEC not to treat the OTC secondary markets for small companies as second class citizens.

Without this rule change investors and securities regulators will be blind to any short selling activity in Pink Sheets and OTCBB stocks. The SEC needs to know that the lack of short sale information in your securities is unacceptable and demand they change NASD Rule 3360 immediately.

I'm asking for your help to improve this critical part of the securities market, so that companies like yours will be traded in transparent, efficient and well regulated OTC markets. Please do your part by writing your Email or letter today. Every voice counts in the debate, and yours could be the one that puts us over the top.

Thank you for your time and help in this fight.

Sincerely,

R. Cromwell Coulson

Chairman & CEO

P.S. We can only succeed in making these rule changes with your help. So please, take action today. And once again, thank you very much for your help.

Note: To comment to the SEC via Internet, use rule-comments@sec.gov with a Cc: copy to: pubcom@nasd.com

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SEC Public Petition page: <http://sec.gov/rules/petitions.shtml>

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