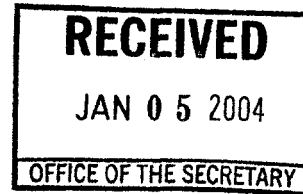


57-23-03

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Mr. Jonathon G. Katz  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549-0609



Dear Mr. Katz:

I am writing this letter to comment on proposed Regulation SHO, Under the Securities and Exchange Act of 1934, to replace SEC Rules 36-3, 10a-1 and 10a-2. I have been an investor in the market for the last seven years and have made money on both sides of the market. These proposed rules I believe have major flaws.

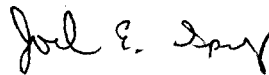
First and foremost this will take away the idea of Free Market trading. How can anyone hope to make money when there are no spreads in the market? By forcing consolidation one cent above the penny it will be impossible to short stocks. This could have an adverse effect with everyone trying to low offer everyone else and therefore creating bigger losses than would have been created with a fair spread.

Secondly this will lead to unfair competition if only certain securities are shortable. Markets got through trends and this country has been built on the principles of Freedom of choice, not everyone makes their money by going long. Shorting the market is a necessity in certain situations when bad news comes out.

Lastly, if this rule would go into effect markets would not experience the volatility that creates opportunity for everyone to make money. Everyone has a right to short securities if they deem it necessary, not a select few.

For the above mentioned reasons I feel these Regulations as proposed will not only have adverse conditions on the market, but will take away from opportunities for the average investor to make money.

Sincerely,



Joel E. Sperling