

S7-23-03

274

December 14, 2003

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



Dear Mr. Katz:

I am writing this letter to express my concerns over the new proposed Regulation SHO and how it will affect the overall trade aspect of the market.

I am an equities trader with a reputable firm that relies heavily on the constant volatility of the market. I am constantly long positions and constantly short positions. With the proposed ruling, getting short a stock one cent above the bid would cost me a very large sum of money.

I trade stocks that are not as liquid as others; those that trade less than one million shares a day. Getting short with the new ruling could cost me more than thirty cents at a time, and trading like that after a while could really add up. I also greatly rely on someone taking my offer to get short. In thinly traded stocks, this will keep me in the money more often than not.

I know that this ruling is only in the proposing phase, and that is where I hope it will stay. The market would suffer tremendously over a ruling such as this and it would change trading as most of us know it.

Also, as a comment on the severe market decline rule, I am completely against it. Just because a market declines 10% doesn't mean that trading on the short side should be suspended.

Hopefully there are more people out there who feel the way I do and trading will continue to have the opportunity on both the long AND short side.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven N. Levay". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven N. Levay
Schonfeld Securities