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OFFICE OF THE SECRETAR

RUMORS AND WHISPERS FLOWING THROUGH THE STOCK MARKET

"ORGANIZED CRIME IS MANIPULATING THE STOCK MARKET"

There is growing concern that manipulation is taking place. Rumors abound that organized crime (professional investors) have devised a way to make large sums of money, by organizing their money and attacking the stock market to the downside. They state that when the market goes down it goes down twice as fast as it goes up. They state that there are no tools to manipulate the market to the upside. But, that there is a tool that the SEC has not attended to, that can force the market down. They use a controversially SEC approved operating tool called SHORT SELLING (shorting the market). Real investors define SHORT SELLING—The borrowing of another investors stocks from a brokerage house, without the investor's knowledge or permission, and selling them. The plan of these "professional investors" (organized crime) is to first of all sell all the stock they own and get cash into their brokerage house accounts. Then at a precise time after the market opens, usually one half hour, bombard the market with SHORT SELLING. The idea is to change the trend of the market downward. "Day Traders" go with the trend of the market, and when they see the market trending downward, they automatically start to sell their stocks. These organized crime investors hit the market with such strong SHORT SELLING bursts, that what started out as a bullish market, is now a full scale down market. At days end, one will notice that the stock market starts to improve and starts turning upward. This upward trend is not caused by "real investors" starting to buy stocks, it's caused by the SHORT SELLERS "TAKING PROFITS". These SHORT SELLERS are now buying back the stocks they had earlier sold. They have to give back these borrowed stocks to the brokerage houses they borrowed them from: Only the stock is at a much lower price and the SHORT SELLERS reaped the difference in price, and the unsuspecting real owner of the stock, just got raped! Point of contention. SHORT SELLERS never own any stock. They only sell other investors stock. Their only purpose for being in the stock market is to drive stock prices down. They contribute nothing to the well being of the market. SHORT SELLING only breeds these dishonest types of schemes. This present organized SHORT SELLING scheme sucks billions of dollars out of the stock market, and never contributes to its rise, only to it's demise! They attract undesirables like foreign factions, that hate the United States, and would love to take down our beloved stock market, and the United States with it. Real investors hate SHORT SELLING, as they call it a cancer, that gets out of control by these undesirable groups. When real investors see these schemes being played, they just get out of the market, until they see the shorting stopped. Unfortunately, this plays right into the hands of the SHORT SELLING scheme, because as investors get out, they sell their stock holdings, which bring the market down further. In asking other investors if they could find any real reason to have SHORT SELLING. They all replied NO!, it only breeds dishonesty! They said that SHORT SELLING goes against the supply and demand order of investing. Investors can buy a stock, and sell the stock if they think it isn't performing properly. No one should ever be able to sell your stock behind your back, when you just invested your savings in the stock to go up.

Tout sheets are flooding my mailbox with terrorist like scare tactics. They imply that the stock market is going to crash, and to sell your stocks and get out while you can. These tout sheets stress that another attack is going to happen on our soil again, and that shorting and selling stocks will be rampant. No wonder the market is jittery, when you get mail like this, along with organized crime manipulation. These SHORT SELLING schemes, are getting more daring each day, as they invite more participants to short along with them. The scary part is, that they are getting stronger each day they pull off their SHORT SELLING schemes. This gives them more money to hit harder the next day or time they do it. They try and do it days at a time, as they have the market on its heels. Some of these SHORT SELLING groups stay in their short sale mode for months at a time. The pros only do it one day at a time. I own 3 stocks that have from 6% to 9% of the stock holdings in short positions. Needless to say, myself, along with many other real investors have lost large sums of money to these organized crime schemes. These SHORT SELLING schemers state they can put any spin they want on why the market sold off today. Just choose one, Iraq problems, High unemployment, higher inflation jitters, too high gas prices, economy doing poorly, economy doing too good, higher interest rates, too low interest rates, just choose one. Real investors are scratching their heads, trying to figure out why the stock market is so oversold on such good news on earnings reports. They look at the low interest rates, and get confirmation that Greenspan is going to be tolerant in keeping interest rates low to make sure the economy keeps improving. Greenspan reports that there is no stagflation, and no real inflation to speak of. Then what Gives? This is what gives rise to whispers and rumors about organized crime figures manipulating the market. When investors see the strong SHORT SELLING going on it reeks of manipulation!

So, the billion dollar question, is what is the SEC going to do about it?? REAL INVESTORS believe that if ever the SEC was going to stop short selling, now is the time. They also believe that never should SHORT SELLING be allowed when our country is under attack. Terrorist rumors, and the wars we are fighting make our market an easy target for foreign moneys to attack us from within. Our financial stability in our stock market is very vulnerable to SHORT SELLING, organized crime schemers.

Recommendation: Make a statement that manipulation of short selling has been detected. That as of Fridays trading on 5/31/04 no short selling will be allowed. Period! More investigation into the problem has to be made. Also, a study has to be made whether short selling has any real validity in our market place. We will keep you posted. The stock market will applaud the recommendation with a wild hurray and the schemers will cry foul! Want to know who the crooks are, see who screams the most.

One last word. In reading about the stock market crash of 1929, I thought it ironic, that most writers attributed the markets fall to an over abundance of SHORT SELLING!

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