

April 24, 2008

I am a victim of naked short selling, asking that you adopt the File 4-557 NIPC Rule Petition, Customer Account Rules and penalties for not obeying this rule.

This well respected Cato Institiue author predicted what can be done with the options market maker exemption and naked short selling:

<http://www.cato.org/pubs/regulation/regv31n1/v31n1-7.pdf>

Bear Sterns could have been largely destroyed by naked short selling that occurred with less than 5 days for a precipitious drop in price from 70 to 2 in order for the massive option volumes constructed and bought with only a few days left to realize their gamble.

Buyers of \$45 depressed BS put options caused the Options Market Maker to sell BS short, probably naked short. Option market makers have the right to not deliver those naked shorted shares to the transaction settlement for as much as 13 days, without an extension, OMM can often get a 30 day extension without much reasoning. The methodolgy and records of how the trades occurred is described here:

http://www.optionsforemployees.com/articles/idx/0/130/article/Bear_Stearns_BuyOut_100_Fraud.html

What is a dead brokerage house or two in the big scheme of things to you folks? When are you going to act SEC? How can you go home to your children and grand children and let this continue into harming their lives. Any fortune you leave your family will sooner or later get eaten by this market manipulation. Heck the perps are strong enough now to bring down a major brokerage house, how long will it be before they take a run at some of the largest US companies?

Whatever happens we will be sure to be able to point out it happened on your watch!

Don Miller