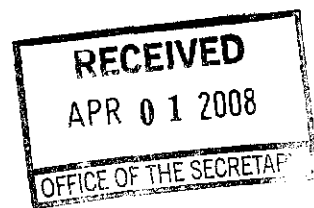


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TORRAY LLC  
SUITE 1100  
7501 WISCONSIN AVENUE  
BETHESDA, MARYLAND 20814-6523  
301-493-4600



March 27, 2008

Re: File Number S7-08-08

Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Dear Ms. Morris,

I am writing in response to the Commission's proposed "Naked" Short Selling Anti-Fraud Rule.

By way of background, I founded The Torray Companies in 1972. We manage two public mutual funds – The Torray Fund and The Torray Institutional Fund – as well as separate accounts for large institutions such as pension funds, endowments, and so on.

In recent years, I have encountered a number of fails to deliver on stocks under heavy short selling pressure. Despite numerous demands for delivery, the fails remained open for periods exceeding a month. For example, during August 2003, we purchased over a half-million shares of Allied Capital Corp. through Merrill Lynch. The short interest was then about 21 million shares – 25% of the capitalization. In press interviews at the time, David Einhorn of Greenlight Capital was aggressively attacking the company's accounting, carrying his complaints to the SEC on at least one occasion I can remember. I know the Allied management well, and dismissed his charges as self-serving efforts to drive the stock down. In any event, Merrill Lynch failed to deliver the shares for over a month, a period during which Goldman Sachs informed me the stock borrow cost had reached 25%. When I threatened Merrill with a demand note bearing 20% interest, the shares miraculously appeared in an hour and a half. Although I don't like to think so, it seems Merrill had the stock all along and was lending it for their own account to earn interest.

As I write, Wachovia Securities has failed to deliver to my personal account at JP Morgan Chase 100,000 shares of The McClatchy Company, purchased February 26 for settlement on the 29<sup>th</sup>. Despite numerous phone calls and a letter directed to a senior executive in Richmond, the stock has not shown up. In a conversation last week, I was told by the office manager in Carmel, California where I entered my order, that Wachovia was in possession of 67,000 shares, JP Morgan owed Wachovia 20,000 shares and

perhaps the bank could buy the remaining 13,000 for delivery. I reminded him the DTC system does not operate on the basis of partial deliveries and swaps. That's the last I've heard on the subject. I am convinced that a significant percentage of the short interest in McClatchy is naked. There are currently over 16 million shares short, approximately 30% of the publicly-traded Class A shares outstanding. I was told several weeks ago by two major Wall Street firms that no stock is available for loan, but if it could be found, the borrow interest would be 13%. It all suggests that some short sellers are, in essence, creating shares out of thin air to end-run regulations and avoid the interest cost of carry.

This issue, along with the elimination of the no-uptick rule, are of great concern to our company, its public shareholders, other clients and the many corporate managements with which we interface. It is fortunate, given the depressed price of McClatchy shares, that the company does not now need to raise capital. With the newspaper business facing serious headwinds, the last thing management and employees of this venerable 150-year old company need is to be hammered by market-manipulating hedge funds and other speculators. Excluding the McClatchy family, I believe I am personally the largest individual shareholder of McClatchy. In addition, our Funds and other clients own positions which we are in the process of increasing. My suspicion is there will be more fails as due dates arrive.

I compliment the Commission on this timely, well-designed regulation, and appreciate its consideration of my views. If any questions arise, I can be reached at 301-493-4600.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Torray", with a large checkmark at the end.

Robert E. Torray

RET:rgl