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Portfolio Recovery Associates, Inc.

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July 29, 2008

The Honorable Christopher Cox, Chairman
Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549-0609
January 3, 2004
File No. S7-23-03

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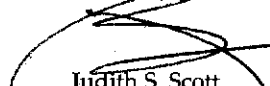
Dear Mr. Cox:

This letter is being sent to you in connection with the recent action of the Securities and Exchange Commission ("SEC") to control abusive short selling in shares of certain financial institutions. Our company, Portfolio Recovery Associates, Inc. (NASDAQ "PRAA"), appreciates and supports this action, and encourages the SEC to make the temporary rules permanent and extend the short sale restrictions to the rest of the market, paying particular attention to the impact of short selling on small cap companies in the financial services industry, such as ours. We also strongly support current proposals to prohibit all naked short selling, and we urge you to restore the uptick rule and require a complete "locate" on all short sales and require that all sales be marked as either "long" or "short." We further encourage the SEC to ensure the strict enforcement of all such rules.

Small cap companies need at least as much, and probably more protection than the larger financial companies, due to the fact that when short selling occurs in thinly traded stock, the short activity can constitute a highly disproportionate number of trades of those securities on any trading day. The impact of short sales on PRAA shares has been striking, and has been responsible in large part, for volatility in our stock price. The Wall Street Journal's *Markets Data Center* reported last week that PRAA ranked 23rd on the list of NASDAQ "Shorts as a Percentage of Float," and number 11 on "Days to Cover." See http://online.wsj.com/mdc/public/page/2_3062-nasdaqshort-highlights.html#shortF. Earlier this week, PRAA's stock was nearly 50% shorted and our share price was off \$3.50. This occurred on a day when there were no public disclosures or releases concerning the Company. Therefore, we believe that we are rightfully concerned that our stock is being manipulated by short sellers who are artificially creating profit for themselves through their manipulative trading activities. This practice is unfair to traditional investors whose investment is placed in jeopardy. It is also unfair to the small cap companies whose credibility is undermined, and whose stock prices suffer unjustifiably as a consequence. We believe that additional short sale restrictions, including the restoration of the uptick rule, will promote the overall stability and confidence of investors in the market.

For the foregoing reasons, our company respectfully requests that the SEC expand its efforts to restrict short sales and naked short sales, restore the uptick rule, and make such provisions permanent and applicable broadly. We will be pleased to provide any information you may need to assist you in any further rule making to expand short selling restrictions, specifically as it may relate to the stock of small cap companies. If you would like any additional information, please contact me at 757-961-3534.

Sincerely yours,


Judith S. Scott
Executive Vice President and General Counsel

Cc: Josephine J. Tao
Assistant Director
Office of Trading Practices and Processing, Division of Market Regulation
100 F Street, N.W.
Washington, DC 20549

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