Regarding Release # 34-56213, File # S7-19-07, I wholeheartedly endorse the SEC's proposed amendments to Reg SHO (eliminating the Option Market Maker Exception and requiring the long-short "marking" of all sale trades).

And as both a well-seasoned Wall Street observer and a Babson-educated equities analyst, I also firmly advocate that the SEC, as a specific part of its overall objective, should always seek to promptly abolish any and all trading practices that in any way artificially alter the natural forces of supply and demand; the all-important forces that not only determine market values, but also assure market efficiency.

And because the evil and widely-used trading practices that do artificially inflate or deflate supply and demand, like naked shorting, are being used to easily manipulate share prices, and are therefore extremely lucrative; I also believe that larger parts of the SEC's overall mission should be the prevention of such trades via harsher examples, and the swift detection of them when they do occur.

To prevent the type of FTD trades that cause stocks to appear on the Reg SHO Threshold Securities List, I urge the SEC to stop offering so many offenders such lenient settlements; and to instead prosecute more cases and demand the stiffest sentences permissible under law. And while this approach will undoubtedly necessitate staff expansions and budget increases, the sure-to-be-measurable resulting benefits will clearly justify related costs.

On the detection front; in order to respond much faster, more often, and with far more accuracy; I urge the SEC and the SROs it oversees to explore greatly expanding their enforcement-related use of statistical models.

With today's high-speed computers, the real-time data to which the SEC and SROs have un-ferreted access is truly a wealth of information. By using statistical tools and the right filters, such models could detect otherwise concealed trading and/or price-volume aberrations; precisely the type of aberrations a statistician would expect to find in cases where the natural forces of supply and demand are being artificially altered.

And when it comes to establishing prevention measures and employing detection techniques, perhaps the SEC should seriously consider using the stocks on the Reg SHO Threshold Securities List as a good starting point.

When considering how routinely the titles of the millions and millions of homes and vehicles transferred and/or sold daily are meticulously and accurately tracked; I find it pathetic and revolting that there even is a Reg SHO Threshold Securities List!

IMHO, the mere existence of this filthy List tells us two things. First, whether you are an investment banker, a broker, a market maker, or a big customer of one of the first three; you can chalk up as many FTDs as your prevailing greed level dictates - and the bottom line is that there is a very, very small likelihood that your lucrative illegal actions will ever so much as be detected, let alone acted upon. And the second thing this infectious List tells us is that if by some slim chance you are caught, as a worst-case outcome you're probably looking at a public wrist slap and a fine that doesn't even offset what was probably made on the trades.

To demonstrate just how commonplace FTDs have become, one need only take a peek at a recent List. As an example, on Tuesday, September 11th, 2007 (Source: ***Knobias Clip***

Report [**http://www.knobias.com/clipreport/clipreport.pdf**]), there were 70 stocks from the NYSE on Reg SHO Threshold Securities List, 54 from the Nasdaq National Market, 17 from Nasdaq Small Cap, 69 from the AMEX, 58 from the OTC Bulletin Board, and 86 Pink Sheet stocks; a pathetic total of 354 issues, and this two and a half years ***after*** the implementation of Reg SHO!

In addition to suggesting outright failure on the part of SEC, in my opinion these statistics reek of corruption. And if this is not the case, why then isn't all FTD data made available to the investing public? In other words, instead of just telling investors that a particular stock is on the List, why not disclose the specific FTD data that qualified it for the List?

And folks, in this age of supposed transparency and full disclosure, the SEC's previously-stated excuse, something about not wanting to unfairly expose trading strategies, just doesn't cut it.

The bottom line is actually quite simple, the SEC needs to clean up the filthy sewerage system that has formed under its watch, and it needs to do it soon. If it doesn't, this reader thinks the world will see a repeat of the 1929 Crash and the Great Depression that followed, and this one could be worse and take even longer to recover from.

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