

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

**Re: Comments on Proposed Amendments to Regulation SHO
File No S7-19-07**

Thank you, for once again permitting me to comment on the Option Market Maker Exemption (OMM) or **the permitting of selling non-existent phantom shares**. I find it both interesting and odd that the commission is holding private meetings at this time with the very companies whose abuses this amendment would curb, particularly since comments were due September 13, 2007.

I do not have a problem with legally borrowed shares and short selling. I do however have a problem with the selling of non-existent phantom shares by the OMM.

After watching the gaming of the market by the OMM and others, one must wonder whether it is folly for small companies to come to the U.S. capital markets in order to help their companies to grow. May be the Department of Labor should include a new heading in their monthly employment statistics: **Jobs lost and small companies put out of business by U.S. capital market**. All one need do is read the comments submitted here by other individuals and companies, with the exception of some hedge funds and protected interests, to see that the U.S. markets are rigged against small companies. I realize that there are good and bad companies. However, companies should be allowed to fail on their own and not at the whim of a hedge fund and/or OMM. The extra "liquidity" provided by the OMM can be used to drive a company's value into the ground by issuing non-existent phantom shares therefore making it impossible for a company to raise capital. **Options do not add value to a company or its shareholders**, therefore the OMM should not be permitted to sell non-existent phantom shares in a company.

My question for the SEC: If it is illegal for a company to sell unregistered shares the market, why is it not illegal for the OMM to sell unregistered non-existent shares into the same market? Is it the goal of the SEC to permit fraud? Fraud can be defined as a deliberate misrepresentation which causes another person to suffer damages, usually monetary losses. Since there is nothing to show that the shares sold by the OMM are non-existent phantom shares, there is a deliberate misrepresentation. When the value of a company is lost, due to the selling pressure of the OMM non-existent phantom shares, individuals and companies suffer monetary losses. Therefore, I believe that reasonable individuals must conclude that in permitting the OMM exemption (selling non-existent phantom shares) the SEC, its commissioners and employees have become a party to fraud of the investing public. If you believe the OMM exemption is not a form of fraud, I have a bridge I would like to sell you.

Sincerely,

William Lowe