

JIM MATHESON
2ND DISTRICT, UTAH

www.house.gov/matheson

Congress of the United States
House of Representatives
Washington, DC 20515-4402

329
ENERGY AND COMMERCE
COMMITTEE
SUBCOMMITTEES:
HEALTH
ENERGY AND AIR QUALITY
COMMERCE, TRADE, AND
CONSUMER PROTECTION
SCIENCE AND TECHNOLOGY
COMMITTEE



November 6, 2007

The Honorable Christopher Cox
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

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

Dear Chairman Cox:

As you know, several months ago I contacted you to offer comments on proposed amendments to Regulation SHO. I commend the Commission for its attention to this issue and for the changes that it has made to tighten Regulation SHO by eliminating the grandfather provision and proposing to eliminate the options market maker exception.

Since writing that letter, I have continued to hear from a number of constituents in my home state of Utah regarding naked short selling. Recognizing the progress that has been made on this issue, I encourage the Commission to explore further mechanisms for increased transparency to further reduce the potential for market manipulation.

It is my hope that the Commission will consider specific measures, including the requirement of a firm location of shares to be borrowed before a short sale can be executed and a requirement for the more timely disclosure of the volume of failures-to-deliver shares of companies on the Regulation SHO threshold list. These modifications would ensure that issuers have greater access to information regarding settlement failures in their shares and would prevent multiple short sales from the same security.

In conclusion, I would reiterate my appreciation for your attention to my concerns. I commend the Commission for addressing this important issue and anticipate the Commission's prompt adoption of proposed changes, including the proposed repeal of the options market maker exception. I look forward to working with you and your staff on increasing transparency and protecting investors and public companies from market manipulation.

Sincerely,

A handwritten signature in black ink that reads "Jim Matheson". The signature is written in a cursive style.

Jim Matheson
Member of Congress

WASHINGTON OFFICE:
1323 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4402
PHONE: (202) 225-3011
FAX: (202) 225-5638

SALT LAKE OFFICE:
240 EAST MORRIS AVENUE (2430 SOUTH) #235
SOUTH SALT LAKE, UT 84115
PHONE: (801) 486-1236
FAX: (801) 486-1417

SOUTHERN UTAH OFFICE:
321 NORTH MALL DRIVE #E101B
SAINT GEORGE, UT 84790
PHONE: (435) 627-0880
FAX: (435) 627-1473

EASTERN UTAH OFFICE:
120 EAST MAIN STREET
PRICE, UT 84501
PHONE: (435) 636-3722
FAX: (435) 613-1834