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And Secretary

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October 2, 2007

Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549-0609

Via UPS Overnight and via email at rule-comments@sec.gov

RE: File No. S7-16-07 and File No. S7-17-07

Dear Ms. Morris:

I am writing on behalf of Portfolio Recovery Associates, Inc. (NASDAQ "PRAA") in response to the Commission's proposals to amend the Exchange Rules with respect to director elections. Portfolio Recovery Associates, Inc., headquartered in Norfolk, Virginia, is a full-service provider of outsourced receivables management and related services.

Thank you very much for giving us an opportunity to provide our comments concerning the proposed rules. We believe that it is appropriate to permit a corporation to exclude from its proxy materials shareholder-proposed by-laws changes concerning director nominations, or any other proposal which would enable shareholders to place director nominees on a company's proxy ballot without undergoing the prior oversight of the nominating committee of the company's board of directors.

Many corporations, such as ours, have taken steps over the past couple of years to increase shareholder participation, by among other things, adopting procedures for majority election of directors, or some variation thereof. Currently, proponents of director nominations have a vehicle already available to them for recommending the inclusion of their nominees' names on the proxy ballot. Those recommendations, when received, are typically addressed by the nominating committees of the corporate boards. This is where these determinations should remain. Nominating committees are uniquely qualified to determine the adequacy of the credentials of shareholder nominees, to make certain that any such nominees are persons of achievement, that they would bring necessary skills to

the job, are qualified, would lead to more meaningful discourse on the board, and are truly interested in such duty. Also, nominating committees are aware of any special needs of their boards in filling board vacancies, such as the requirements of Section 401(h) of Regulation S-K and the listing standards of their applicable stock exchange.

We also believe that no changes in the rules which will impact director elections should be made until the Commission has effectively addressed the issue of “over voting,” caused by share lending, and the resulting stock ownership uncertainties. Small and mid-cap companies are particularly vulnerable to activist groups who are able to use the present system of stock borrowing to skew an election, whether intentionally, by advocates of specific causes or points of view, or unintentionally. The potential for uncertain outcomes from over voting is increased when a corporation changes from a plurality election to majority election of directors. At this point, we are unaware of any proposals which will ensure that only the shares that are held on the record date and continuously held between the record date and the meeting date could be voted at the annual meeting. Until this issue is addressed, we believe that corporations should be permitted to exclude from its proxy ballot any shareholder-proposed by-laws changes concerning director nominations.

Respectfully submitted,

Jscott

Judith Scott
Executive Vice President and General Counsel