
FAIRFAX
FINANCIAL HOLDINGS LIMITED

May 22, 2007

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Release No. 34-54154; File No. S7-12-06
Amendments to Regulation SHO

Dear Ms. Morris:

Fairfax Financial Holdings Limited ("Fairfax") sincerely appreciates the opportunity to supplement our initial comments to the Securities and Exchange Commission's ("SEC's" or "Commission's") proposed Amendments to Regulation SHO, as set forth in our letter dated September 19, 2006 (the "initial letter"). We continue to endorse the views submitted in our initial letter. In addition, we want to share with the Commission our recent experiences under the Freedom of Information Act ("FOIA") seeking information about fails to deliver ("FTDs") in Fairfax's common stock (NYSE: FFH) as well as the securities of our subsidiary, Odyssey Re Holdings Corp ("Odyssey Re") (NYSE: ORH). Given the delays inherent in the FOIA process and the importance of timely access to this information by market participants, we firmly believe that greater transparency and more timely access to FTD information is required.

Fairfax Background

Fairfax is a financial services holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance, investment management and insurance claims management. As at March 31, 2007, Fairfax had total assets of approximately \$26.4 billion and total shareholders' equity of approximately \$3.0 billion, and its revenue for the twelve months ending December 31, 2006 was approximately \$6.8 billion.

Fairfax has strong commercial and financial connections with the United States – more than 5,000 of our approximately 8,000 employees work throughout the United States – and its capital markets – as indicated above, the shares of Fairfax and Odyssey Re are listed on the New York Stock Exchange ("NYSE"), and nearly half of our shares and almost all of our bonds are held in the United States.

Fails To Deliver Information

Unfortunately, Fairfax has continuously been included on the NYSE's Threshold List since its January 7, 2005 inception, except for approximately two months in 2005. We have the unwelcome distinction of being the company currently on the NYSE Threshold List for the longest uninterrupted period of time (421 days) of any NYSE listed company (ten times the average number of consecutive days of all securities currently on the threshold list).

Since Regulation SHO imposes certain limitations and restrictions on securities on the NYSE's and other self-regulatory organizations' ("SROs") Threshold Lists, we have periodically sought data regarding FTDs in FFH and ORH. The only vehicle currently available to obtain this information is FOIA. For more than a year now, Fairfax has filed, seriatim, five different FOIA requests with the SEC. These requests have taken weeks and sometimes months to be processed. Even when we do receive FTD information, it is sometimes incomplete. For example, for the 561 trading days from April 12, 2004 through June 30, 2006, we obtained FTD data for only 475 trading days and received a response of "N.A." for the remaining 86 trading days. Fairfax's most recent request, which was submitted more than four months ago, on January 18, 2007, still has not been processed.

The FOIA process is neither an effective, nor efficient, means of requesting or dispensing time-sensitive FTD information to issuers and other interested market participants. Despite the efforts of the staff of the SEC's FOIA/Privacy Act Office, the number of FOIA requests pending as of the end of the SEC's 2006 fiscal year was 10,403.¹ The median number of days simple (or "fast-track") requests were pending was 243, with the median number of days growing to 601 for complex requests.² Simply stated, FOIA should not be the tool through which FTD information is disseminated to the public.

Conclusion

Based on the foregoing, Fairfax reiterates its view that greater transparency and more timely dissemination of FTD information is required. This can be accomplished by requiring SROs or broker-dealers to disclose publicly, on a daily basis, the aggregate FTDs and the number and location of new FTDs with respect to shares of Threshold List securities.

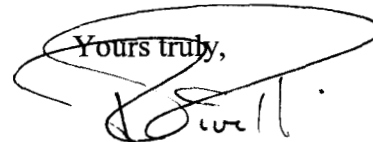
¹ "Freedom of Information Act Annual Report for the Fiscal Year Ending September 30, 2006, October 1, 2005 to September 30, 2006," U.S. Securities and Exchange Commission (February 8, 2007) at 6. Available at <http://sec.gov/foia/arfoia06.htm>.

² *Id.*

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Thank you for the opportunity to comment further on the proposed amendments to Regulation SHO. Fairfax appreciates the Commission's continued efforts to strike the right balance in regulating short sales and related activity.

Yours truly,

A handwritten signature in black ink, appearing to read "P. Rivett", is written over the text "Yours truly,". The signature is enclosed within a large, hand-drawn oval.

Paul Rivett
Vice President