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The proposed rule change to Regulation SHO, File Number S7-12-06, will indeed help in slowing the continued "fail to deliver" stock transactions, and increase pressure to clear the fails of stock long standing on the threshold list. A speedy implementation of these amendments is important to everyone.

However, the proposal is only a good start. Other amendments and regulations must be enacted to address the fail to deliver systemic problem:

1. When a stock is listed on the reg. SHO threshold list, ALL shorting must cease in that companies stock until it has been cleared form the threshold list.
2. ALL trades must clear through the Depository Trust and Clearing Corporation and it's subsidiaries. All ex-clearing activities between brokers and dealers must be outlawed. Only when all trades are made through the DTCC with SEC enforcement can oversight of trading be effective.
3. To insure timely information to all investors, short sales should be reported by ticker and volume daily.