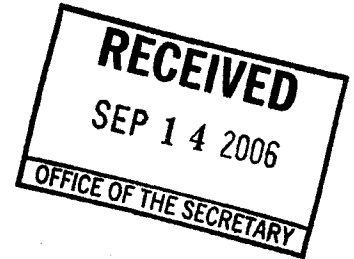


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September 7, 2006

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



Dear Chairman Cox:

I am an investor in a company that has been listed on the Regulation SHO Threshold list for over a year. I am concerned with the impact that abusive naked short selling has on our capital markets, public companies, and innocent shareholders. While I commend the SEC for its two proposed amendments of Regulation SHO (e.g., repeal of the grandfather provision and narrowing of the options market maker exception), these proposals do not go far nearly enough to stop the persistent fails to deliver and other associated abuses. Thus, I strongly urge the SEC to make two additional modifications to Regulation SHO

1. Transparency – Disclose the Volume of Fails. The SEC should amend Regulation SHO so that the aggregate volume of failures to deliver is reported daily for each threshold security. I completely agree with Commissioner Atkins' statement that aggregate fail data should be disclosed. Sunshine is the great disinfectant and more transparency will lead to the elimination of abuses and to more investor confidence and security. Without this full disclosure, it is difficult to know the level of "naked shorting" and its risk to the capital markets.
2. Ownership – Require a Pre-Borrow for All Short Sales. The SEC should require that before any seller can short sell a stock, that seller must either have the stock in his possession (and have the right to sell it) or have entered into a bona fide contract to borrow the stock in advance of the sale. This step alone should prevent the majority of purposeful and strategic fails to deliver. The current rules that allow the stock to be located (but not borrowed) allow for one share to be "located" multiple times without it actually ever being borrowed. These loose rules allow abusive short-sellers to frequently never deliver stocks they sell, but rather postpone trade closures indefinitely.

The SEC must continue to protect innocent investors and public companies by minimizing the manipulation of our capital markets. The interests of abusive short-selling hedge funds must not be placed ahead of investors and employees who often depend on these companies for their livelihood and retirement.

Sincerely,

A handwritten signature in cursive script that reads "Marlene Blumenthal".

Marlene Blumenthal