

June 18, 2009

Mary L. Schapiro  
SEC Chair  
100 F Street, NE  
Washington, DC 20549

**Re: Short Sale Rule**

Dear Chairman Shapiro:

I am writing as a concerned citizen and as someone who has worked in the securities industry for over 40 years regarding the current enforcement and regulation of the short sale rule of S.E. act of 1934. I feel that the current interpretations of the rules are not being enforced in the manor in which they were intended. I do understand that special market situations, such as the one we are now experiencing may lend to modifying the rules temporarily to support market function. However, on the whole I do not believe that the rule is being properly enforced.

It should always be kept in mind that any new regulations must be clear and precise and not leave room for interpretation and abuse. The agency has failed to dictate such guidelines such as those similar to the ones in place for insider trading. I believe that a solution to this short sale problem lies with the agency.

When trade is consummated with insider information the buy is cancelled. This is done so there can be no profit made from any illegal transactions and the owner of the illegal transaction is fined. The primary regulator must take the lead in dictating the consequences of any illegal short sales. Apply the same reasoning to a sale of a security that cannot be delivered within the prescribed period of time. This will be identified as an illegal sale. The sale penalty would include a sale that will be cancelled out of the sellers account.

The agency should view this action as a violation, trades be cancelled, and demand the account to be charged for losses incurred from those transactions. Penalties and or restrictions should be applied to this illegal short sale. The primary regulator must take the lead in dictating such consequences if these rules are violated. A circuit breaker approach could be an acceptable solution that could be used to slow down a severe decline in price of a specific issue or a group of securities.

Be strict and precise on actions to be taken with no exception. Remember this is a violation of a S.E.C. regulation. If enforced properly there are many beneficial consequences, which include:

- Reduction in the number of fails.
- Reduction in false misleading rumors which could start a bear raid on an issue.
- Increase in investor confidence knowing regulation is being properly enforced.

Please do not introduce another rule like it was done in 2007, with Rule Sho. This rule only gave additional extension of time to deliver the securities to the buyer, which made things worse in the long run.

In my long career in the financial industry working primarily with compliance related positions, I am of the opinion that regulators were often more part of the problem than the solution. This is very unfortunate, as it has affected many lives in a negative way. With today's technology there is no reason for this to be the case.

I want to thank you for letting me share my concerns and ideas to address this issue. I trust that the agency will continue to uphold the laws and regulations as they are intended and go forward in making the market a fair place for all involved.

Sincerely,

Reinaldo Bozan.

Cc: Senator Ted Kaufman (Del.)  
Senator Johnny Isakson (Ga.)  
Senator Chuck Grasley (Ia.)  
Senator Specter (Pa.)