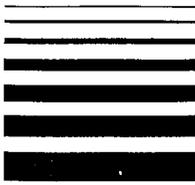


RESEARCH FRONTIERS INCORPORATED



240 CROSSWAYS PARK DRIVE, WOODBURY, N. Y. 11797 • TEL: (516) 364-1902
Internet: www.SmartGlass.com • FAX (516) 364-3798 • (888) SPD-REFR

July 16, 2008

Via Federal Express

Hon. Christopher Cox, Chairman
U.S. Securities and Exchange Commission
SEC Headquarters
100 F Street, NE
Washington, DC 20549

Dear Chairman Cox:

The headline in The Wall Street Journal this morning reads "SEC Moves to Curb Short-Selling". I sincerely hope that this is true, and strongly recommend that you act decisively, not merely to protect the large financial companies whose shares have been under recent attack, but rather to protect the entire market.

Many companies, including Research Frontiers Incorporated, have been viciously attacked by short sellers for many years. And, as you know, one of the practices which short sellers have sometimes used, naked short selling, is an obviously manipulative practice which should be stopped.

In my opinion the present regulations of the SEC are inadequate. Speaking personally, the way I see it is that if someone were to sell you a piece of property for which you paid them in full, and they failed to deliver it to you on time because they never owned it in the first place, most rational people would consider this to be a form of fraud and a criminal matter. Analogously, a person who engages in naked short selling shares of a stock they do not own and have not borrowed, is also guilty of a criminal fraud in my opinion.

I therefore suggest that you toughen up the rules for engaging in such activities, specifically to make deliberate naked short selling a criminal offense. If you do that, I think a large part of such activity will end quickly.

2008 JUL 17 PM 4:16
CHAIRMAN'S
CORRESPONDENCE UNIT

ES/25213
RECEIVED

I read that you were considering requiring a short seller to obtain a written agreement from a third party to lend them the shares they plan to sell short before they could do so. This is a good idea; however, I think they should also be required to furnish a copy of that letter to the broker to whom they sell the stock. That broker, under threat of a large fine by the S.E.C., should then be required by the S.E.C. to verify that the sales ticket is marked "short" sale. This should help obtain accurate information because some short sellers may try to disguise short sales as ordinary sales, probably in order to make the total of reported short sales look smaller than it would otherwise be.

I also strongly recommend that you cover all companies under your jurisdiction, not merely the large financial companies. I have read several articles over the years stating that approximately two thirds of new job created in the United States occur at small companies. Because short selling activities often aim at destroying small companies they consider weak, it is detrimental to the interest of the United States of America that small companies be ruined by short sellers through manipulative practices.

Finally, I recommend that you reinstate the "uptick" rule. If that rule were not of real importance, I assure you that short sellers would not have been so anxious to have it removed.

I am counting on all of you to do the right thing.

Sincerely yours,



Robert L. Saxe
Chairman

RLS:kg

cc: Hon. Paul S. Atkins, Commissioner
Hon. Kathleen L. Casey, Commissioner
Hon. Elisse B. Walter, Commissioner