

May 14, 2005

Dear Friends,

I am an investor investing in penny stocks traded in the OTC market. I believe many, even most of these stocks are illegally shorted, naked shorted, without making a good faith effort to borrow shares to short. The rules for these stocks need to be the same as those traded on higher exchanges. Why are these companies and its shareholders treated as a lower class investors? Don't we deserve the same protection as the big companies?

I ask the SEC to cause the amendment of NASD Rule 3360 and require NASD broker dealers to maintain a record of total "short" positions in all customer and proprietary firm accounts in all publicly traded equity securities as well as report this information to the NASD for public dissemination of the short positions by security. The SEC's action is urgently needed to prevent fraudulent acts, expose market manipulation, promote fair principles of trade and protect investors.

Thank you for your urgent action on protecting the small investor.

Francis Wenzl