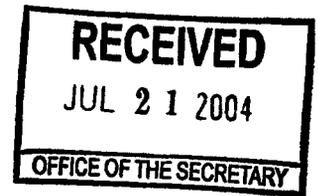


Registrar and Transfer Company



10 Commerce Drive, Cranford, New Jersey 07016-3572

Tel: (908) 497-2333
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Thomas L. Montrone
*President and
Chief Executive Officer*

A handwritten signature in black ink, appearing to be "T. Montrone", written in a cursive style.

July 16, 2004

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549-0609

Re: Comments on S7-24-04, Issuer Restrictions or Prohibitions on Ownership by
Securities Intermediaries

Dear Mr. Katz:

Registrar and Transfer Company ("R&T") appreciates the opportunity to comment on the proposed rule changes. R&T has been an independent transfer agent for over 105 years and currently provides transfer agent services for more than 800 issues.

We are concerned regarding the potential for unintended consequences that may be precipitated as a result of this regulation. The proposed regulation, as we understand it, is being generated as a result of a few issuers' reactions to excessive naked short selling of their stock. These issuers perceive a threat to their stockholders and the commercial viability of their companies created by those parties perpetrating the short-selling scheme. The directors and managers of these firms also perceive a fiduciary responsibility to protect their firms and shareholders from such potential abuses. By preventing the registration of shares into a nominee name, they are taking the only alternative available to them that they believe will curtail short-selling abuses. By prohibiting transfer agents from following the directions of the issuer, the regulation could force those issuers, particularly those that perceive a significant threat, to terminate the transfer agency and assume the processing responsibilities as self-agents.

Such a reaction will place the transfer processing and record keeping responsibilities on an entity that is likely not qualified or prepared to properly administer them. While many, if not most, self-agents are highly qualified and competent, there have been, in our experience, some smaller self-agents that fall short in this area. Due to the nature of small self-administered transfer agencies, audits of the internal transfer functions, we believe, may be infrequent.

Thus, the unintended consequence of the proposed regulation could potentially be the deterioration of the record keeping and servicing of the shareholders. Having often

Registrar and Transfer Company

Comments on S7-24-04

July 15, 2004

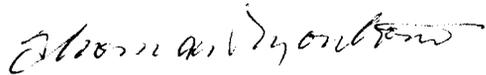
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converted shareholder records from self-agents, we can attest that most maintain good records, but that some ultimately expose themselves and their shareholders to risk resulting from sub-standard record keeping practices.

Since the Commission has recognized the abuses of short-selling, it may be prudent to adopt the proposed rule for broker/dealers to prevent short-selling before implementing this rule. Further, an active role may be needed in the enforcement and policing of short-selling practices. Preventing naked short selling should eliminate the motivations that have driven issuers to restricting transfers to nominee registrations. Accomplishing this may even negate the need for the proposed rule. At a minimum, the Commission should consider delaying the implementation of the proposed Rule 17Ad-20 until the street naked short-selling rules have been placed into effect.

Thank you again for the opportunity to comment on the proposed regulation.

Sincerely,



Thomas L. Montrone