

August 1, 2008

Dear Sirs,

As I look at some of the posts on your comments page, I find it interesting the so many seem to come from people who appear to be just everyday normal people. No titles, not lots of alphabet initials after their name, etc.

It's interesting because they are the ones who get hammered in these naked short scenarios.

As for me, I am a private investor, but have been a CFO of two NASDAQ listed public companies in the past. My biggest headaches back then were the short sellers.

Today I am most concerned with naked shorts who enter the market for a particular stock. Most seem to be armed with loads of liquidity they can use to pound a stock into oblivion. The SEC in the past has looked at option activity in stock before large run ups. They assume people trade on inside information. Naked shorts often reportedly collude to hammer a stock while spreading rumors through the financial community, yet they don't seem to get the same kind of attention as Joe Blow who buys options in a stock based on some inside information. This is wrong.

I call on the SEC to re-instate the uptick rule, and to totally ban the concept of naked short selling in all stocks. A naked short sale is the equivalent of diluting the existing shareholders by "creating" more shares than the company has ever issued in the market. Companies are not allowed to issue shares without filing the appropriate documents with the SEC, yet naked shorts accomplish the same result.

I am also particularly concerned that such activities have been tolerated in ETF stocks like SLV and GLD. When this practice exists in such stocks which claim to have gold or silver to back every share outstanding, a naked short creates a share for which there is no such precious metal backing. This needs to stop immediately because it is the equivalent of fraud. You cannot sell a share in such a stock without passing the ownership rights to the corresponding metal.

Take action now.

Thank you,

Mark Winn