

Stephens Inc.

Investment Bankers

Curt Bradbury
Chief Operating Officer

Jackson T. Stephens, 1923-2005
Chairman Emeritus in Perpetuity

July 29, 2008

Christopher Cox, Chairman
Securities and Exchange Commission
100 F Street
Washington, DC 20549

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CHAIRMAN'S
CORRESPONDENCE UNIT

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Dear Chairman Cox:

I am writing to encourage you to support further action by the Securities Exchange Commission to curb the market manipulation associated with naked short selling.

Our firm, which was founded in 1933, has a long history of investing its capital in a broad range of early stage companies throughout the United States. We are known as a good investment partner because we are a long-term investor that thinks and acts like an owner.

In the last few years several of the smaller public companies we have invested in have fallen prey to lengthy "distort and short" attacks, characterized by a proliferation of false rumors spread throughout the market and large short positions that in total sometimes exceed the public float. The harm to legitimate investors such as ourselves and the negative impact on the ability of these companies to raise capital is palpable.

We have observed the positive effect that the Commission's emergency order to deter naked short selling has had on the market for shares in the 19 financial firms covered by it; and we support the extension of the procedures required by that order to the broader market on a permanent basis. Specifically, the Commission should amend Regulation SHO to require broker dealers to either borrow or enter into a contract to borrow the securities to be shorted, and firms should no longer be able to establish short positions because they supposedly have "reasonable grounds" to believe the security can be borrowed. This existing alternative is far too permissive and allows manipulators to circumvent the protections Regulation SHO was intended to provide to legitimate investors and all companies in the market place.

We appreciate the fact that the emergency order was deliberately structured to have limited application both in terms of duration and the number of covered firms. However, it strikes us as fundamentally unfair to extend these protections to only a limited number of firms. Small companies, in particular, are in greater need of protection

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from abusive naked short selling because the markets for their shares are more easily manipulated; and chasing the manipulators away from selected firms merely drives them toward unprotected, more vulnerable firms. In addition, there is a greater likelihood that the protections afforded by the emergency order will be effective with respect to small companies because of the practical limitations on the ability to borrow the shares of companies with less trading volume and liquidity.

We also encourage you to consider additional protections against short selling abuses, such as the reinstatement of the up-tick rule, requiring public reports of substantial short positions, and a new anti-fraud rule targeting naked short selling.

Finally, we do recognize the need to permit legitimate short selling; and our comments are only directed at curbing the practice of naked short selling.

Thank you for your consideration of these matters. If we can be of any assistance to you or your staff as the Commission's deliberations proceed with respect to these matters, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Curt Bradbury", written in a cursive style.

Curt Bradbury