

The Honorable Christopher Cox
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chairman Cox:

The 'Grandfather clause' of Regulation SHO causes the property (Stock Certificates) of the individual citizen investor to be unjustly seized.

Bill of Rights:

Amendment IV

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Amendment V

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

It can be argued that the effect of this regulation, abusive Failure To Deliver (FTD)s and Naked Short Selling (NSS), enacted by the Securities and Exchange Commission (SEC) cause inadvertent 4th & 5th amendment violations - paying for shares and not receiving the rights and benefits of ownership, i.e. voting. If the SEC refuses to regulate itself concerning this matter, the courts will have to intercede and impel this organization to fulfill its duties as mandated by the Securities and Exchange Act of 1934. Then, when the courts rule against this regulation, as it must if the rule of law and justice still prevail in this country, and it can be shown that the SEC was duplicitous in the formation of this regulation by worrying about short squeezes for the benefit of a subclass of investors, a class action suit against the SEC will be warranted in defense of every citizen investor adversely affected by this regulation.

Respectfully Yours,
James L. Lainé