Thank you for permitting me to comment on the Options Market Makers Exemption rule. However, I am going to address 3 items of concern to me and I believe many other individual investors: 1) the OMM Exemption, 2) Failure To Deliver and 3) the Security & Exchange Commission.

In order to fix the problem, we must first ask 2 questions: 1) does the buying and selling of options add any value to the company? and 2) does the buying and selling of options add any value to the shareholder of a company? The answer to both questions is “NO”. In simplest terms the buying and selling of options is nothing more than a hedge against the price going up or down, depending on an individuals bet. Notice, I use the word bet, because options are a gamble unless you can rig the game. Allowing the OMM to short sell in order to hedge his bets is nothing more than manipulation or rigging the market. Since neither the company nor the shareholder receives value from the trading of options, why should the Options Market Maker (OMM) be allowed to effect the value of the company by short selling shares without delivering them (FTD or Failure To Deliver)? The same rules should apply to the OMM that apply to any investor, which is delivery in 3 days, not 30, 35 or 40, **but 3 days.**

FTD’s should carry a penalty of $x amount times the actual gain times the number of days of Failed Delivery. If such a rule were in place and enforced, I believe we would see a dramatic drop in the FTD’s. If the SEC cannot solve this problem, then investors may have to look to Congress or the courts for relief.

I realize that the SEC is a captured entity and the SEC is not the only government entity in this category. However, all one has to do is read the newspaper and see where former commissioners and employees are being employed when they leave the SEC. The best thing Congress could do to rectify this problem would be to pass a law stating: “Employees of any federal regulatory agency cannot be employed by any entity they took part in regulating for a period of 3 years and penalty for violation would require a mandatory 3 year prison sentence and a fine not to exceed 1 million dollars”. I realize that proposal of such a rule would probably cause a mass exodus from the SEC, but may provide investors with more confidence in the SEC.