

August 1, 2008

I believe that the SEC must share some of the blame for our current financial crisis. The lack of enforcement of existing rules, the roleback of rules and the inability and disinclination (for dogmatic reasons) to make appropriate new rules to cover the dramatic new financial instruments all point to a SEC that has failed to keep it's promise to the American people. In fact the effective de-regulation of the markets has hurt all Americans.

The naked short selling that has been allowed is madness. How does it make any sense that anyone can sell stock that they don't own? Haven't even put a down payment on? Do you think that there should be naked short selling in real estate? Automobiles?

Anyone that believes that a stock is over valued and wants to short it should be required to put up some \$, I think at least 50% of current price. I say that to be compromising, although I don't see why they shouldn't be required to put up the whole thing.

I understand the arguments for short selling. I appreciate the desire to hold business' feet to the fire and the need for accurate and timely information in order to keep the players honest and the market fair. If the SEC took its duties more seriously I believe those goals could be accomplished without the uncapitalistic and morally ambiguous (at best!) practice of naked short selling.

Please do the right thing and abolish naked short selling.

Rus Postel

average Joe with my life savings invested!!!