

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

THOMAS J. DONOHUE
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

July 15, 2008

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WASHINGTON, D.C. 20062-2000
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The Honorable Christopher Cox
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

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CHAIRMAN'S
CORRESPONDENCE UNIT

Dear Chairman Cox:

We were pleased to learn that the Commission and other securities regulators will begin cracking down on those firms and individuals that seek to profit by intentionally spreading false information with the intent to drive down stock prices. We have long been advocating for action against this form of market manipulation and strongly support the Commission's response.

In recent weeks the papers have been full of stories about the effects of "rumor-mongering" – but the fact of the matter is that such activity has been a significant problem for targeted companies for years. Information is the lifeblood of the marketplace. Training and oversight programs should be designed to prevent market participants from illegally abusing false rumors to make a quick profit. Such activity not only harms the reputations of companies, but it also drives down the value of the shareholdings of millions of individual investors.

In addition to the current announcement, we strongly encourage the Commission to move forward with its rule proposals related to abusive naked short selling. While legitimate short selling plays a critical role in our capital markets, we must crack down on fraudulent actors who give this important tool a bad name.

We applaud you for your leadership to prevent the problems caused this abusive practice. Your actions will provide greater confidence to companies and investors that false information will not be used to harm share prices in our markets. Please do not hesitate to contact me if I can be of any assistance.

Sincerely,
