



September 25, 2008

VIA ELECTRONIC DELIVERY AND FEDERAL EXPRESS

Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Gentlemen:

On September 18, 2008, the Securities and Exchange Commission (the “Commission”) issued Securities Exchange Act of 1934 Release No. 58591 (the “Original Order”), and on September 21, 2008, the Commission issued Securities Exchange Act Release No. 58591A amending the Original Order (the “Amended Order” and together with the Original Order, the “Emergency Orders”). The Emergency Orders require certain institutional investment managers (as defined in the Emergency Orders, “Institutional Investors”) to report information concerning short sales of securities on Form SH. Pursuant to the Emergency Orders, which are effective as of September 22, 2008, Institutional Investors must report any short sale activity on Form SH on the first business day of every calendar week immediately following a week in which it effected short sales.

The Form SH must be filed electronically on the EDGAR system on a non-public basis and will become publicly available two weeks after the required date of filing. The Commission notes in the Amended Order that it is permitting the non-public filing of Form SH because “[t]he Commission believes that the non-public submission of Form SH may help prevent artificial volatility in securities as well as further downward swings that are caused by short selling.” The Commission also states that it will make Forms SH available to the public two weeks after the filing due date because it believes that “the reasons to maintain the information as non-public will have diminished.”

We are supportive of the Commission’s efforts to maintain fair and orderly securities markets and acknowledge that the filing of Form SH by Institutional Investors in this period of market turmoil may provide the Commission with useful information in furtherance of these efforts. However, we oppose the Commission’s decision to make the Form SH information publicly available. We believe that public disclosure of such information is not necessary to protect the integrity and quality of the securities markets. On the contrary, we believe that such public disclosure may actually *increase* volatility and instability in the securities markets and severely harm not only Institutional Investors but

also the pension funds, endowments and universities that are their investors. A two-week delay would only slightly postpone any harmful effects rather than diminish them. For the reasons listed below, we urge the Commission to again amend the Emergency Orders to provide for the Commission to keep the information disclosed on Form SH permanently confidential.

1. Publicity of prominent Institutional Investors' short positions may cause further deterioration in stock prices.

When a prominent Institutional Investor's short positions are made public, other investors may copy the Institutional Investor, thereby causing market prices to fall further. In addition, any sell off may increase the likelihood that the Institutional Investor's original short position is more profitable. Thus, the publicity could have the double impact of hurting issuers and profiting certain Institutional Investors.

2. Although Institutional Investors enter into short sales for a variety of reasons, the market may negatively interpret disclosed shorting activity.

Institutional Investors enter into short sales for a variety of reasons. For example, an Institutional Investor may take a short position in order to hedge a correlated long position. Public disclosure of the Institutional Investor's gross short position in this circumstance could be misinterpreted by the public to represent a negative view about the issuer rather than one part of a comprehensive risk management strategy. Consequently, an issuer's stock price may fall as a result of an Institutional Investor's disclosed short sale activity even though the Institutional Investor may not be bearish about the issuer.

3. Investors may trade against disclosed short positions, causing artificial increases in stock prices.

Investors may trade against the short positions disclosed by an Institutional Investor. This may result in a "short squeeze", in which a lack of stock available for borrowing and an excess demand for a stock artificially force the price upward. This in turn may cause a form of market manipulation which may occur when other investors with short positions in the stock cover their positions by purchasing the stock, further contributing to a temporary rise in the stock price. This phenomenon would increase volatility rather than mitigate it.

4. Public disclosure will inform the market of highly proprietary trades and trading strategies.

Public disclosure of Institutional Investors' short sale activity will provide the market with highly proprietary and confidential information. In the short term, other investors will be able to duplicate Institutional Investors' trades or

trade against them. In the long term, investors may be able to reverse engineer the Institutional Investors' trading strategies. This will severely harm not only the Institutional Investors but also the pension funds, endowments and universities that are their investors. The strategies of certain large Institutional Investors that involve a gradual accumulation of short positions over time so as not to cause market impact may also be compromised by frequent snapshots of position information, as smaller investors follow their lead.

5. Institutional investors may alter their trading activity to avoid public disclosure.

In order to avoid public disclosure of their short sale activity, Institutional Investors may unwind both short positions and complementary long positions, reducing liquidity and increasing volatility in the short and longer term. In the long run (if the public disclosure requirements are extended), the public disclosure requirement may compromise portfolio risk management strategies and the efficiency of the capital markets if institutional investors determine the costs of disclosure are too high to merit engaging in market neutral investment strategies.

6. Less transparent derivative instruments could become more attractive.

Alternatively, in order to avoid public disclosure of their short sale activity, institutional investors may seek to enter into financial contracts that have the same economic effect as a short sale but are not subject to the Emergency Orders. This could result in the growth of a market for less transparent derivatives that replaces the current market for borrowing stocks.

7. Less sophisticated investors' trading patterns could be exploited.

While we have noted that there may be negative consequences from the public disclosure of prominent Institutional Investors' short sale activity, there may also be negative consequences from the public disclosure of less sophisticated Institutional Investors' positions. Certain investors may analyze the publicly disclosed short sale activity of less sophisticated Institutional Investors and exploit the trading patterns of these investors for their own profit.

8. Price discovery will suffer.

The chilling effect on short selling created by the Emergency Orders will discourage investors from engaging in otherwise potentially profitable research that might suggest that companies (such as Enron) are overvalued. As a result, future Enrons will take longer to expose, ultimately doing more harm to the public markets.

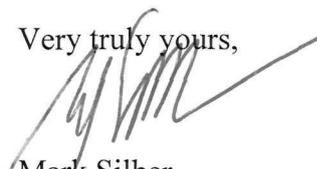
It is appropriate that in these turbulent times the Commission have access to detailed information about the short sale activity of market participants so as to discharge its enforcement and market oversight responsibilities. However, while disclosure of short positions to the SEC is important, disclosure to the public serves no clear purpose, will not alleviate the current crisis and may, indeed, exacerbate it, further damaging the financial markets.

In accordance with Release No. 58591A, reportable short positions entered into during the week of September 22nd will be relayed to the SEC on September 29th and posted publicly by the SEC on October 13th. The public disclosure portion of the new rules will thus have little effect for three weeks after the Emergency Orders were issued, and therefore cannot reasonably be characterized as a response to an emergency.

We respectfully request that the Commission not publicly disclose short positions that it collects under the emergency order. If later, public disclosure appears to be warranted, we request that a rule requiring public disclosure be developed through the normal process, which provides for notice in the Federal Register followed by a public comment period. It is critical that the SEC carefully consider the potential hazards of public disclosure - for both the investing public and for financial institutions - before taking action with such far-reaching implications for our capital markets.

Thank you for your consideration.

Very truly yours,



Mark Silber
Executive Vice President and
Chief Financial Officer
Renaissance Technologies LLC

cc: Christopher Cox, Chairman
Kathleen L. Casey, Commissioner
Elisse B. Walter, Commissioner
Luis A. Aguilar, Commissioner
Troy A. Paredes, Commissioner
Erik R. Sirri, Director - Division of Trading and Markets
Robert L. D. Colby, Deputy Director – Division of Market Regulation
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