



HUDSON BAY CAPITAL
HUDSON BAY CAPITAL MANAGEMENT LP

October 1, 2008

Robert Lynch
Managing Member
Aristeia Capital, L.L.C.
136 Madison Ave
3rd Floor
New York, NY 10016

Dear Mr. Lynch:

We understand that Aristeia Capital, L.L.C. has written a letter to the Securities and Exchange Commission (SEC) requesting the SEC grant a limited exemption to the emergency actions that prohibit short selling of companies in the financial sector.

We are also an active participant in the convertible securities market, which has been deeply impacted by the new rule.

We support an exemption that would allow holders of convertible securities to sell short stocks in order to mitigate equity price risk, while still effectively preventing a net short position with respect to financial equities. Such an exemption could not be used as a tool to facilitate the abusive short-selling that the SEC is understandably trying to prevent.

The absence of such an exemption to the short selling prohibition makes unavailable an important source of financing when capital is scarce.

We believe that the Financial Services Authority in the U.K. has provided a model for the exemption that the SEC should adopt.

Sincerely,

HUDSON BAY CAPITAL MANAGEMENT, LP

Roy Astrachan
Portfolio Manager