

May 26, 2005

Dear Sir or Madam,

As the Chairman of the Board and CEO of a company that is traded on the OTCBB I wish to comment on SEC File No. 4-500 "Request for rulemaking regarding member records of "short" positions and reporting and public dissemination of aggregate positions by security."

Without a trace of doubt, I can un-equivalently state the biggest scandal facing the SEC is the long term, unchecked manipulation of the market makers on the OTCBB that has been made possible by the total lack of short sale reporting combined with a failure to enforce naked shorting rules and lack of enforcement of uncovered, accumulated, long term short positions that in some cases exceeds 50% of the total shares issued for some issuers.

This problem far exceeds anything addressed by Sarbanes-Oxley. Should you think my figure in the paragraph above, stating some companies suffer accumulated naked short positions exceeding 50% is excessive, allow me to quote from a conversation I had with a lady from the Market Regulation Dept. of NASD; "Ed, I am not necessarily talking about Medizone, I am not allowed to do that. We cannot address these issues about specific companies, but I can tell you we have seen situations in which the accumulated short position in a stock actually exceeded the total number of shares the company had issued."

Let me ask one simple question, and I ask this of both the SEC and NASD; How can a market maker in a stock possibly be expected to make a fair market for the buyer, seller and company, when his livelihood is so heavily invested in a short position?

Please, do something! The present situation has been going on since the birth of this market and it is not getting any better. This is a disaster, and the SEC and NASD are going to be very embarrassed when this phony deck of cards finally collapses.

Yours Truly,
Edwin G. Marshall

Edwin G. Marshall
Chairman & CEO
Medizone International, Inc.