

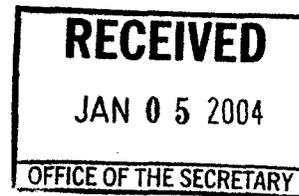
S7-23-03

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William J. Howlett, III
318 West 10th Ave
Conshohocken, PA 19428

12/15/03

Jonathan G. Katz
Securities and Exchange Commission
450 Fifth St, NW
Washington, DC 20549-0609



Mr. Katz:

After reviewing the bullet points of the new proposal, "Regulation SHO," I have been compelled to write a letter in order to express my concerns. I am day trader with several years experience and the new rules being proposed are of great concern to my future as an equity trader.

Most notably is the rule concerning short sales. Considering the recent market conditions over the last several years, I am a small trader, who benefits from the spreads in the market, as do most traders. I, however, tend to trade stocks with a smaller float as compared to the rest of the market. With this in mind, the natural spread that exists in these stocks is a major source of my trading income. To once again narrow that spread by limiting the short sale rule, as proposed, would put me at a great disadvantage. These stocks tend to trade at a larger spread and by not allowing smaller traders to offer stock, on the short side, with in that spread greatly decreases our ability to generate a steady cash flow.

I think that this is another attempt by the larger institutions and the governing body that rules them to "squeeze" the smaller trader from the market. This is a capitalist market, which exists only because of the price action that governs the market. By limiting the price action and execution of that market, you are limiting the free market. It is yet another example of the power that institutions have over the smaller trader. We provide a service to this market and have existed, in some form, whether the name being "day trader" or not, since the inception of the market and it is a crime that we are never recognized in the decision making process. We are never considered in the process of making regulatory rules, except when we can be forced to leave the market and simply offer our own ideas to the money-generating institutions that rule the market.

I would hope that the SEC realizes our value to the market and the service that we provide it. This is not a proposal that benefits ALL the traders involved in the market, but only the few institutions that want to control it.

Sincerely,

A handwritten signature in black ink that reads "William J. Howlett, III". The signature is stylized and includes a large flourish at the end.

William J. Howlett, III