

Dear Sir or Madam:

I read with interest the October 26, 2005 SECURITIES AND EXCHANGE COMMISSION announcement (Release No. 34-52679; File No. SR-NASD-2005-112) on short interest reporting and wish to submit my comments as an individual investor who once held a Series 63, a Series 7, and a Variable Life license. I was a registered representative for 7 years for a regional brokerage and worked in the Margin department for a year prior to that. My father was in the securities industry for nearly 40 years. My brother has been in the securities industry for nearly 20 years.

While it is nice to see a suggested improvement in **short interest reporting** for OTC Equity Securities, nothing in the announcement seems to touch on the glaring Reg SHO problem.

Further, I read that these "expanded" short interest reporting rules do not apply to "**positions that meet the requirements of Subsections (e)(1), (6), (7), (8), and (10) of SEC Rule 10a-1.**"

Allowing more exceptions is not a wise course, but instead raises several questions:

1. Why are there exceptions to this proposed rule? The continued use of exceptions has already given us a Reg SHO list with some OTC equities approaching **200 days on the list**.
2. Why would we want to allow the continued use of loopholes in short interest reporting for the same "Self Regulated Organizations" that, as a group, own the DTCC and its billion dollar Stock Borrow fee program?
3. Where are the new proposed rules (including stiff financial penalties) for SRO's to regulate themselves in a meaningful way with respect to naked shorting?
4. Where are the new proposed rules that give public company corporate officers increased understanding as to which member firms are Failing to Deliver shares?
5. Where are the new proposed rules that will shed a modicum of sunlight on the Stock Borrow program run by the DTCC?
6. Where are the new proposed rules that **require** a buy-in at market prices on all short sale Fails after 3 days?

Please understand that I do not intent to castigate or impugn the integrity of anyone.

However it is very frustrating to see new rules proposed regarding short sale reporting but these new rules do not seem to address the Reg SHO debacle, which is, in my view, going to explode in a public scandal with the SEC lying squarely at ground zero!

Thank you for your consideration.

Cordially,

Chris Meredith
Watertown, MA