

June 13, 2008

Securities and Exchange Commission
100 F Street NE
Washington, D.C.

RE: Release Nos. 33-8917; 34-57781; File No. S7-10-08

Attn: Nancy Morris

In my previous memo I identified the fact that the Commission must take responsibility for clearly defining who a beneficial holder is prior to drafting any rules that are directly linked to Beneficial Ownership and percent ownership reporting status.

Since such position was presented a case passed through the US Federal Courts whereby the Courts cite a lack of clarity in federal securities laws regarding share ownership, reporting standards, and proxy voting. I am attaching a report of the courts finding but would like to highlight some very unflattering comments by the federal judge involved in this case.

"A few cross that line and, if caught, seek to justify their actions on the basis of formalistic legal arguments even when it is apparent that they have defeated the purpose of the law. This is such a case."

It is my contentions that the only reason such rationalizations are being accepted is because the Commission has purposely allowed a far greater amount of grey area to exist than is healthy for our capital markets. The Commission has done so in order to allow those with the access to take advantage and reap profit at the expense of another's sufferance.

Judge Kaplan said there were "persuasive reasons" for concluding that the funds "beneficially owned at least some and quite possibly all" of the shares bought by the brokerage firms to hedge their swap positions.

Clearly it should not take a Federal Court to decide who the beneficial owner of shares is. If it must come to this there is a clear problem with the existing laws.

Until the SEC tackles the root issue of beneficial ownership as they relate to reporting requirements and proxy rights no rule attached to it will be of any significant value as loopholes will exist big enough to drive even the biggest of crooked hedge funds through.

a victory by the hedge funds "would render compliance" with the disclosure requirements "essentially voluntary."

Onward.

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