

SEC Issues Emergency Order Temporarily Regulating Short-Sales of Certain Financial Institutions' Securities

Date: 07/16/08

Pursuant to its powers under Section 12(k)(2) of the Securities Exchange Act of 1934, the Securities and Exchange Commission ("SEC") has issued an Emergency Order declaring that no person may effect a short sale in the securities of certain substantial financial firms using the means or instrumentalities of interstate commerce, unless such person or its agent has borrowed or arranged to borrow the security or otherwise has the security available to borrow in its inventory prior to effecting such short sale and delivers the security on settlement date. The SEC is taking this action in response to what it perceives as the spread of "false rumors" regarding certain large financial firms that continue to threaten "significant market disruption."