

**REGHELL.COM
38 COUNTY ROAD 645
SANDYSTON, NJ 07826-5045
973-362-1252**

DECEMBER 14, 2008

**Ms. MARCIA E. ASQUITH
OFFICE OF THE CORPORATE SECRETARY
FINRA
1735 K STREET, NW
WASHINGTON, DC 20006-1506**

**RE: REGULATORY NOTICE 08-68
PROPOSED FINRA RULE 2030 "CIRCULATION OF RUMORS"**

DEAR Ms. ASQUITH,

**THANK YOU FOR THE OPPORTUNITY TO COMMENT ON FINRA
PROPOSED RULE 2030 "CIRCULATION OF RUMORS" AS DESCRIBED IN
REGULATORY NOTICE 08-68.**

**WHILE I UNDERSTAND THAT ONE OF FINRA'S RESPONSIBILITIES IS
MAINTAINING THE INTEGRITY OF THE MARKETS, I BELIEVE THAT RULE
2030 AS PROPOSED IS OVERREACHING IN ITS SCOPE.**

**FINRA IN ITS PROPOSAL EXCLUDES LANGUAGE CURRENTLY
ENUMERATED IN INCORPORATED NYSE RULE 435(5) THAT CREATES AN
EXCEPTION FOR DISCUSSIONS OF "UNSUBSTANTIATED INFORMATION
PUBLISHED BY A WIDELY CIRCULATED PUBLIC MEDIA". THE SPREADING
OF WHAT IS KNOWN AS A FALSE RUMOR SHOULD NOT BE TOLERATED
AND FINRA RIGHTLY SHOULD TAKE WHATEVER STEPS IT CAN TO
PREVENT THESE. HOWEVER I HAVE GREAT CONCERN WHEN A
REGULATOR APPEARS TO BE CENSORING PUBLIC DISCOURSE.**

**IN NOT CARVING OUT THIS EXCEPTION, FINRA APPEARS TO BE
BOWING TO CURRENT POLITICAL WINDS AND CRIMINALIZING
DISCUSSION, NOT JUST VERBAL, BUT THOSE DISSEMINATED ON THE
INTERNET (WHICH I BELIEVE TO BE "WIDELY CIRCULATED PUBLIC
MEDIA")**

**IN LOOKING BACK AT THE RUMORS VERSUS NEWS STORIES
SURROUNDING PUBLICLY TRADED COMPANIES OVER THE LAST 18
MONTHS, I AM HARD PRESSED TO FIND A "RUMOR" THAT DID NOT HAVE
SOME GRAIN OF TRUTH TO IT. AS A MATTER OF FACT, SENATOR
SCHUMER'S ACTIONS AND REMARKS RELATING TO INDYMAC BANK HAD**

MORE TO DO WITH THAT COMPANY'S DEMISE THAT ANY "RUMOR" THAT CIRCULATED AROUND THE STREET. GIVEN THAT ANOTHER OF FINRA'S RESPONSIBILITIES IS INVESTOR PROTECTION, I WOULD THINK THAT YOU WOULD BE ENCOURAGING THE EXCHANGE OF INFORMATION, WHETHER IT IS DEEMED A "RUMOR" OR NOT. A TRADER OR BROKER SHOULD BE ENCOURAGED TO COMMUNICATE WITH OTHER TRADERS, BROKERS OR CLIENTS AND SAY "HEY MARY, TAKE A LOOK AT WWW.NOTARUMOURFINRA.COM AND SEE WHAT IT SAYS ABOUT WIDGETS, INC."

RULE 2030 AS WRITTEN WOULD JUST ENCOURAGE MEMBER FIRMS WHOSE COMPANIES ARE PUBLICLY TRADED TO WHINE TO THEIR REGULATOR EVERY TIME THEIR STOCK COMES UNDER PRESSURE (SEE BEAR STERNS, CITIBANK, LEHMAN BROTHERS AND MERRILL LYNCH).

SOMETIMES SIMPLER IS BETTER, AND IN THAT SPIRIT I PROPOSE THAT THE LANGUAGE OF RULE 2030 SHOULD READ AS FOLLOWS:

"NO MEMBER SHALL ORIGINATE OR CIRCULATE IN ANY MANNER A RUMOR CONCERNING A PUBLICLY TRADED COMPANY AND/OR THEIR SECURITIES (REGARDLESS OF WHICH MARKETPLACE THE SECURITY OR A DERIVATIVE RELATED TO THE SUBJECT COMPANY TRADES ON), THAT THE MEMBER BELIEVE TO BE PATENTLY FALSE. UPON BECOMING AWARE OF ANY SUCH PATENTLY FALSE RUMOR, THE MEMBER WILL IMMEDIATELY NOTIFY FINRA OF THE RUMOR AND ANY CIRCUMSTANCES SURROUNDING HOW THE MEMBER CAME TO BE AWARE OF THE RUMOR."

WHEN FINRA IS NOTIFIED OF A PATENTLY FALSE RUMOR, IT SHOULD INVESTIGATE AND IF THE REPORT IS TRUE NOTIFY THE GLOBAL REGULATORY BODIES AND IMMEDIATELY POST ON THEIR WEB SITE THAT THE COMPANY AND THEIR SECURITIES ARE ON A "RUMOR" WATCH LIST. THIS PUBLIC ANNOUNCEMENT SHOULD DISCOURAGE THE "EVIL" TRADERS, BROKERS, HEDGE FUNDS, PUBLIC OFFICIALS, FROM FURTHER "MISCHIEF".

SHOULD YOU HAVE ANY QUESTIONS OR REQUIRE ANY ADDITIONAL INFORMATION, PLEASE DO NOT HESITATE TO CONTACT ME.

**DAVID G. SERENA
PRESIDENT**