

# Naked Short Sellers Beware

By Navid Iqbal

**BUYINS.NET** Solutions to Naked Short Selling!

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10000 shares of  (enter symbol). Using SqueezeTrigger Could Have Made You \$\$\$?

**Naked Short List as of 2006-02-06 - Stocks New to List**

Symbol	Days List	\$ Last	%Change	\$Change	Trade Volume
TMI	1	30.65	1.32	0.40	59,600
MDVN	1	3.80		0.12	141,950
GMTN	1	6.60	0.92	0.06	81,907
SLRF	1	1.02		0.02	14,090
PLKC	1	0.00		0.00	12,876,250
CHHH	1	0.18		-0.010	11,100
JCOP	1	7.41	-0.540	-0.040	35,750
EGLE	1	13.91	-0.640	-0.090	197,376
FWM	1	7.24	-1.230	-0.090	865,100
ALLI	1	16.72		-0.130	118,178
FWG	1	21.47		-0.130	415,900
PIV	1	16.02	-2.610	-0.430	148,200
IYT	1	75.75		-1.080	392,200
CMG	1	46.28	-3.000	-1.430	267,200

**Free Naked Short Lists**  
**SqueezeTrigger Data**  
**SqueezeTrigger Alerts**  
**SqueezeTrigger Reports**  
**SqueezeTrigger Portfolio**

**Free Naked Short Lists (Finds Stocks With Illegal Shorts)**

Regulation SHO took effect January 3, 2005, and provides a new regulatory framework governing short selling of securities. It was designed with the objective of simplifying and modernizing short sale regulation and providing controls where they are most needed. At the conclusion of each settlement day, data is provided on securities in which: 1) there are at least 10,000 shares in aggregate failed deliveries for the security for five consecutive settlement days, and 2) these failures constitute at least 0.5% of the issuer's total shares outstanding. SEC Regulation SHO, under the Securities Exchange Act of 1934, mandates that, if a clearing agent has had a fail-to-deliver position for 13 consecutive settlement days, that clearing agent, and the broker/dealer it clears for, must purchase securities to close out its fail to deliver position.

BUYINS.NET has automated the collection of this data from NYSE, AMEX, NASDAQ, OTCBB and PINKSHEETS every night and uses counters to track which stocks are about to have forced covers.

## WWW.BUYINS.NET naked short lists as of February 2006

The operation starts each day at 5 a.m. in Newport Beach, California. A team of highly skilled and trained BUYINS.NET programmers and analysts forage through lists provided by the New York Stock Exchange, the American Stock Exchange and the NASDAQ. The mission is crystal clear—to hunt down those responsible for illegal short selling.

Once a target of the predatory practice himself, Tom Ronk founded BUYINS.NET to help other companies identify when they too are becoming targets of abusive short selling or naked short selling.

Short selling is legal and happens when an investor borrows stock from a brokerage firm, sells it, then hopes to pay less for it when it buying it

back. But naked short selling occurs when crooked investors sell stocks they never borrowed. The illegal practice occurs because of loopholes in the rules over selling stocks.

For over 200 years, short selling institutions have been able to hide their short selling orders, and individuals and mutual funds have been forced to show their buy orders, Ronk said.

This has allowed predatory short sellers to abuse the U.S. stock market to the tune of billions of dollars. Ronk said there are over 3,100 of 15,000 publicly traded companies (20%), that have been naked shorted in the past 15 months alone.

"BUYINS.NET is leveling the playing field between institutional and retail investors by providing transparen-

cy to US markets," Ronk said.

Ronk left the University of California at San Diego with an Electrical Engineering and Computer Science background before he entered the world of trading in 1989 as a fixed income trader, eventually becoming a stockbroker three years later.

He later started working as a stock analyst then became an investment banker in 1998, when he started running the companies he had invested in.

One of those companies was a 120,000 doctor PPO (preferred provider organization) network whose split adjusted value was \$24 a share. The largest brokerage firm in Canada then shorted shares of the PPO and brought down the stock to a split-adjusted value of \$1 per share.

"We sued the Canadian brokerage firm for RICO violations," Ronk said in an emailed interview. "Three years later the largest brokerage firm in Canada was put out of business and the person responsible for the short selling was put in jail."

Although the Securities and Exchange Commission implemented a new rule to ban naked short-selling in 2003, critics of it argued that it prevented market forces from counteracting naked shorting.

Ronk decided to try and affect the system himself. He began lobbying regulators in the United States to change laws related to short selling. The SEC enacted Regulation SHO which subsequently went into effect in 2005.

The new regulation created a uniform regulation of short selling, including 'locate' requirements for short sales in all equity securities and a mandatory close-out requirement for securities that significant settlement failures, according to NASDAQ Trader.

Regulation SHO required all the stock exchanges to provide short lists. "Buyins.net has built a proprietary database that uses these list feeds to generate detailed and useful information to combat the naked short selling problem," Ronk said. "For the first time, actual trade by trade data is available to the public that shows the volume, price and average value of short sales in stocks that have been shorted and naked

shorted," he said.

Using proprietary technologies, like SqueezeTrigger, the company uncovers the exact volume and price that short sellers have shorted a stock and alert investors the exact time that a short squeeze can start in any U.S. stock, Ronk said.

The research team issues public reports identifying which companies are the target of this illegal practice. The team then highlights certain companies that have short squeezes underway and alerts investors and institutions through emails and press releases, Ronk said.

"Our call center receives thousands of calls and emails and we respond to them throughout the day. We talk to CEOs of companies and discuss legal and regulatory ways to defend against abusive short selling and naked short selling and send cease and desist letters to firms that are engaging in this activity.

We provide data records to the general counsel of public companies

*According to Ronk, the BUYINS.NET website displays the companies that have been naked short sold and updates in real time which companies have short squeezes starting. Web site users can login and see how many shares are starting to squeeze and at what price.*

that request them and litigation is planned and executed."This is a very useful way for investors to fight back against short sellers and make profitable trades simultaneously," he said.

And the fight will continue into the future, said Ronk, fresh from an appearance on cable news shows.

He said he would continue helping companies fight back against manipulative and abusive predatory trading practices.

"BUYINS.NET is a service designed to help bonafide shareholders of publicly traded U.S. companies fight abusive short selling and illegal naked short selling," he said.

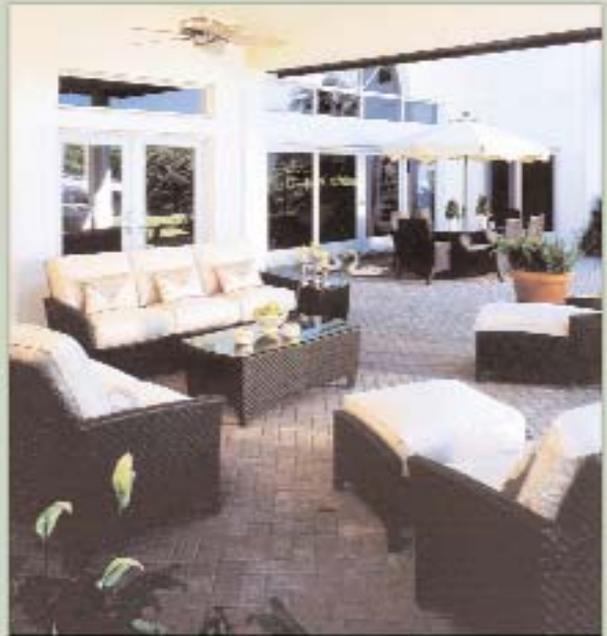
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