



ALERT

brownrudnick *SEC Ends Ban on Short Sales in Financial Services Companies*

On Friday, October 3, 2008, the President signed the Emergency Economic Stabilization Act of 2008, aimed at stemming the credit crisis. Accordingly, the Securities and Exchange Commission announced that the Emergency Order¹ that prohibits persons from selling short the securities of financial institutions will expire at 11:59 p.m. EDT on Wednesday, October 8, 2008.²

The SEC's announcement concerns only the short sales ban. As indicated in our prior alert, "[SEC Extends Emergency Orders on Short Sales](#)," the order requiring disclosure of short sales by institutional investment managers has been extended to 11:59 p.m. EDT on October 17, 2008. The SEC intends that this order will continue in effect beyond that date without interruption in the form of an interim final rule. Disclosure under the emergency order, including those disclosures filed on September 29, 2008, will be made only to the SEC, which will be seeking comments on all aspects of the anticipated rule making.

As a result of the extension, Forms SH shall be required to be filed on October 6, 2008 and October 14, 2008. The SEC recently issued [guidance](#) for institutional investment managers regarding how to disclose their short positions.

If you have any questions as to the scope or interpretation of the new rules and what they may mean for you, or need assistance with disclosure, please contact your Brown Rudnick attorney or one of the following attorneys:

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¹ <http://www.sec.gov/rules/other/2008/34-58592.pdf>; <http://www.sec.gov/rules/other/2008/34-58611.pdf>

² <http://www.sec.gov/news/press/2008/2008-238.htm>