

G. *Other Options?*

With state regulations sparse and controversial, and when litigation is unsuccessful or imprudent, what can companies concerned about the effect of naked short-selling on their stock price do? First, companies can encourage investors to demand paper stock certificates by issuing a dividend that may only be redeemed through an exchange of paper shares. Jag Media Holdings, the issuer-plaintiff discussed *supra*, did just that, in effect creating a short squeeze in which phantom share holders engaged in a price war to acquire real certificates, thus artificially and temporarily inflating the price of the

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339. Investopedia, *Custody-Only Trading*, <http://www.investopedia.com/terms/c/custodyonly.asp> (last visited March 20, 2009).

340. SEC Release 34-50758A (Dec. 7, 2004), available at <http://www.sec.gov/rules/final/34-50758a.htm>.

341. See, e.g., BioCurex, Inc. BioCurex Inc. Announces Company's Consideration of 'Certificate Only' Trading as Part of an Overall Re-Structure Initiative, available at <http://www.globenewswire.com/newsroom/news.html?d=35551>.

342. See Press Release, JAG Media Holdings, Inc., (Feb. 25, 2005), JAG Media Holdings, Inc. Announces Results of Annual Stockholders Meeting, available at <http://www.jagnotes.com/PR2.pdf>.

stock. Orbit E-Commerce, Inc. ("OECI"), a communications company, also encouraged investors to demand delivery of their stock certificates from their brokers so that naked shorters would be forced to cover, and the demand for OECI stock would increase, along with the price.³⁴³ In addition,