



December 22, 2008

Ms. Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Acting Secretary
Washington, D.C. 20549

Re: Regulatory Notice 08-68 Circulation of Rumors (Nov. 2008)

Dear Ms. Asquith:

Fairfax Financial Holdings Limited ("Fairfax") applauds FINRA's proposal of new Rule 2030 as a further measure to curtail false rumor mongering with respect to all securities. Fairfax is a financial services holding company that is interlisted on the New York Stock Exchange, under the symbol "FFH", as well as on the Toronto Stock Exchange. Through its subsidiaries, Fairfax is engaged in property and casualty insurance and reinsurance and investment management. As at September 30, 2008, Fairfax had total assets of approximately \$27.8 billion and total shareholders' equity of approximately \$4.7 billion. Our revenue for the twelve months ended December 31, 2007 was approximately \$7.5 billion.

Discussion of Proposed Rule 2030

As proposed, new Rule 2030 will prohibit broker-dealers who are FINRA members from originating or circulating rumors concerning any security, not just equities, that the broker-dealer knows or has reasonable grounds for believing are false or misleading without regard to whether the rumor would improperly influence the market price of the security. In addition, proposed Rule 2030 would require FINRA members to promptly report to FINRA any circumstance that would reasonably lead the member to believe that any such rumor might have been originated or circulated.

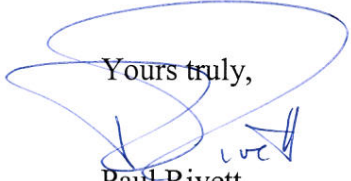
Fairfax supports the decoupling of the act of spreading rumors from the likelihood that the rumor will have market impact because of the ease with which a market participant could disclaim knowledge that the rumor could have market impact. Fairfax also believes that FINRA's proposed reporting obligation is very important to stop the spread of scurrilous rumors given the number of market participants who are not registered with any financial regulator, but

who potentially can benefit from the spreading of false rumors. Fairfax urges FINRA to continue its efforts to work with the Securities Exchange Commission ("SEC") and other self-regulatory organizations on issues raised by the combination of false rumor mongering and manipulative trading. To this end, we encourage FINRA to report to the SEC those market participants who are identified in connection with the spreading of false rumors, but over whom FINRA has no regulatory authority.

Conclusion

Fairfax applauds FINRA's efforts to address and combat manipulative activity through the spreading of false rumors. These efforts are important to the protection of investors and the integrity of the U.S. securities markets.

Thank you for this opportunity to comment on these important issues. I would be pleased to discuss Fairfax's view with FINRA.



Yours truly,

Paul Rivett
Vice President and
Chief Legal Officer