

May 4, 2009

Chairman Mary L. Schapiro  
Securities and Exchange Commission  
100 F Street  
Washington, DC 20549

Re: Response to request for comments regarding the proposed rule SECURITIES AND EXCHANGE  
COMMISSION 17 CFR Part 242 Release No. 34-59748 File No. S7-08-09 RIN 3235-!K 35  
Amendments to Regulation SHO

Dear Chairman Schapiro:

Thank you for the opportunity to comment on the various proposals to reduce volatility and to restore investor confidence in the markets.

I feel strongly that a price test on a market wide and permanent basis with the national best bid (the proposed modified uptick rule) would be the most appropriate. I feel that the alternative proposal (the circuit break rule) would not be effective since a stock can continue to drop after going down ten percent, as more short-selling pours in when the stock breaks support levels. Under the alternative proposal, stocks can easily drop 50% or more in a few days thus failing the basic objective of restoring investor confidence.

When the uptick rule was repealed in 2007, I believe sellers obtained the opportunity to move prices downward at will, especially with the ability to execute naked short sales and also through the use of leveraged ETF's; this was clearly demonstrated, in my opinion, in the price action of stocks of many major financial institutions that ultimately resulted in the bankruptcy of Lehman. I am convinced that the repeal of the uptick rule was a major factor that led to the resulting credit crisis, the recession and massive job losses.

Much of the above was modeled after comments submitted to you by Dan Nguyen, CFA CIO Midwest Professional Planners and included as a sample letter on your website, but I am in complete agreement with Mr. Nguyen's thoughts on this matter. I also fully concur with his belief that every short position should be supported by borrowing in advance and that therefore, options market makers should not be exempted from the ban on naked short selling.

Finally, I also feel that two and three times leveraged short ETF's have no place in today's market. They appear to me to be another vehicle for short sellers to circumvent the naked short restrictions and in a much more volatile manner.

Again, thanks for the opportunity to provide my personal thoughts on this very important and timely topic.

Robert E. Koza

Private Investor

