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It's finally starting to come out (e.g. Bear Stearns, other financials) how 'naked' short-selling (i.e. failure to borrow and deliver borrowed shares at settlement) is significantly contributing to unfair trading and instability in the stock market.

The SEC is absolutely correct in going forward to curb these abuses across ALL stocks and to find and punish traders who have illegally used this practice. Brokerages who have supported these individuals and firms should also be substantially fined!

It's high time that short-sellers operate on the same footing as long buyers/sellers. Borrowed shares need to be 'matched' at the time of a short-sale just like they are for a long-sale. Brokers need to stop belly-aching and update their systems/processes and start charging short-sellers for additional services.

The call for re-instatement of the up-tic rule is nothing more than a smokescreen to distract the naive and side-step the issue for real change. Sophisticated traders have never had any difficulty by-passing the up-tic rule and brokerages have developed systems/processes in-the-past to deal with this rule. It's no wonder they want it back because they have to do 'nothing' to deal with it!

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