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INVESTOR INFORMATION

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I'm a mere firefighter and new investor since the original September/October 2008 crashes. I have the hobby of thinking. It seems that SEC officials should not be missing things that a simple layperson has noticed.

Yesterday I read an article where two SEC people suggested that short selling might have been worse if the uptick rule were still in place.

Somehow they argued that the high volatility of the market since the suspension of the uptick rule, would have allowed shorters to do even more damage than they have done. It seems that it possibly didn't occur to these two representatives that, perhaps, the removal of the uptick rule is THE CAUSE of the increased volatility. It is odd that they wouldn't add the caveat "but perhaps our logic is flawed and perhaps the suspension of the uptick rule caused the volatility, but we really thinks it's just coincidence."

Short-selling generally...I really don't see the necessity of it to the markets. Here's why... it is usually argued that it keeps prices correct buy bringing the prices down in "over-valued" stocks. I argue that if something is over-priced then the mere lack of buyers will drive the price down to a price that is acceptable to potential buyers, simple supply and demand. Why must there be an army of people, many of them gamblers/traders with a ton of money and influence to manipulate things, given the right to borrow shares to sell short? And now they may do so unfettered without the uptick rule. Look at the ABSURDITY of short-selling in ANY other context... I'll use an automobile for my example:

I can't borrow a \$15,000 Ford Focus from the dealer, sell it for \$15,000 to a customer in the showroom and then buy the car back for \$10,000 in 6 months and return it to the dealer worth \$5,000 less, and the \$5,000 remains in my pocket.

If a car buyer thinks a car costs too much, he doesn't buy it. If enough people agree, prices come down. Why do we need short selling in the stock market but nowhere in the real world? Ban short-selling or allow it everywhere.

Thank you.