

James Friderici

[REDACTED]

SEC
Mail Processing
Section

APR 16 2009

Washington, DC
101

APR 16 2009
OFFICE OF INVESTOR
EDUCATION AND ADVOCACY

April 8, 2009

SEC Headquarters
100 F Street, NE
Washington, D.C. 20549

Re: Short selling rule

Dear Sirs:

I read in the news you are considering a short selling rule although I do not know if you solicit public comments. Please take this as a comment on your proposed rule.

I think not only should you adopt a short selling rule, even better you should ban short selling entirely. The purpose of the stock markets is to provide a market for the raising of capital. With the changes to retirement, the stock markets are where most Americans invest their retirement funds, either directly or thru their employers, to provide for their retirement. For those of without government pensions, our only viable choice to provide for retirement and attempt to build wealth is stock investment in some form.

Short selling is not investing, it is gambling. Short selling distorts the markets by allowing people to profit on the price of a stock decreasing. Profiting on someone doing worse is not investing, it is gambling. Las Vegas is open 24 hours per day, 365 days a year, for anyone who wants to gamble. Remove the gamblers from the markets and let them return to the tables.

I submit these comments as someone who has been directly invested in stocks for over 36 years. I have dealt with various brokers and at times actively traded options. I have been solicited to engage in short selling but have never done so. My experience with the markets includes both substantial gains and losses over the years. I understand short selling and recognize many of the market participants like volatility since they want to profit when the market goes up or goes down. It is time to

SEC ltr
Apr 8, 2009
Page 2

kick the speculators out of the market and limit the markets to the concept of raising capital for legitimate businesses. We need to return to the concept we forego spending our money now so we can invest in businesses which will use that money to produce goods and services and provide returns on our money in the future.

The first step to return to market principles is to end short selling. If you are not going to kill it, at least adopt a tough short selling rule which seriously limits such gambling.

Respectfully yours,


James Friderici

(SEC1.ltr)