

I find it pointless to cite any empirical data as to whether or not implementing an up tick rule makes a difference because the Commission has already done a pretty decent job compiling it all. What I fail to understand is why after compiling all this data, and reaching your logical conclusion that short selling really makes no difference, the Commission insists on asking the “average investor” or anyone else what their thoughts are on short selling.

We saw what the ban on short selling in the financial industry did in September. It did absolutely nothing, as stock prices went lower and lower because that is where those prices belonged regardless. Short selling and bear raids are not what crushed the financial sector. Terrible banking practices and irresponsible lending is what caused the financial sector to crash. Assuming that realty prices would never drop caused the financial sector to crash. Short selling did not.

I encourage the Commission to stop enabling the uninformed investor who doesn't understand short selling. I agree that naked short selling is something that needs to be eliminated. However, the Commission should probably start enforcing and cracking down on naked short selling instead of asking the general public what they think about the up tick rule.

Realistically, I know you will pander to the masses. You will allow the uneducated to make the decisions for you. Some sort of up tick rule provides a false sense of security for people who “will not invest until the up tick rule is reinstated,” and because of this you will do the illogical thing: implement some sort of short sale restriction. This is not a question about ethics. This is a question of market efficiency. This is a question about whether or not the Commission is willing and able to enforce naked short selling. Instead of doing the actual job of enforcing these rules, it will be easier for you to apply some sort of up tick rule. And this is where you will fail.

Please, do the smart thing. Don't pander to politics. Pander to your job, which is making the intelligent decision based on data that you have already provided. This shouldn't even be a question anymore. All the experts say it makes no difference, and if the commission for ONE second, even ONE second believes what Jim Cramer has to say is unbiased and legitimate, then all hope is really lost.

I woefully leave this decision in your hands. I hope that I am pleasantly surprised.

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