June 7^{th}, 2009

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, Dc 20549-1090

Re: File No. S7-08-09 Proposed Amendements to Regulation SHO

Dear Ms. Murphy:

I am writing to you to air my opinion that it is in the best interest of efficient markets that the short sale uptick rule is not reinstated in the domestic equity markets. It is commonly mistaken that the large cause of the financial bear market over the past two years was instigated by 'bear raids' and short sellers acting in unison to cause the decline in the market. In the beginning of September, a short sale ban was instituted on financial equities in the United States financial markets which was followed by a decline of over 30% over the next month in this sector. This clearly shows that the large decline in the market was caused by the poor fundamentals of the financial companies at the time and that those individuals who held an interest in these corporations wanted out of their positions, not by malicious short sellers.

In fact, I would like to present the idea that this unruly intervention by the government in our capitalist markets led to the destruction of wealth. Various investments funds, both domestic and international, had been holding short positions in various financial firms which they were then forced to exit in a fashion to being held at gun point which caused the surge of the financial sector on September 19^{th} due to extremely rapid short covering and the liquidation of massive positions they held which were no longer 'legal'. This caused many funds to lose large amounts of money which belonged to individuals ranging from retail 401ks and IRAs to large institutional firms such as charities and university endowments as their previous investment strategy had been made null and void by this decision and the firms had to exit their trading positions at levels unfavorable to their portfolio.

Short selling also plays an important role in the liquidity and efficiency of the markets. As we have seen in times both past and present, bubbles in various markets are dangerous and highly destructive to the wealth of both individuals and firms. Short sellers act as a downward pressure to stock price when the seller deems that the stock is reaching levels far out of line with the underlying fundamentals and growth of the company quite similar to how an undervalued company is snatched up by longs at distressed levels. The idea that short sellers are constantly on the prowl to make a quick buck and destroy others wealth is a fallacy due to the inherent risk in holding a stock position short for a long time between the margin interest for shorting, availability of shorts and also the fact that stocks go up over the long haul through both inflation and intrinsic company growth.

In order to allow a level playing field in the financial markets the uptick rule in any form should not be reinstated due to the fact that this would be a blow to smaller investors. The previous uptick rule was only in place to shutter out the small investor from being able to short stocks at will but the large institutional market makers were allowed to short a stock at will no matter the condition. This caused these market makers to have an inherent advantage over other traders in the market and by eliminating the uptick rule from the market it allows for a fair trading environment among all traders in terms of being able to enter into short positions in the marketplace.

Thank you for your interest in this serious matter and for considering my thoughts.

Sincerely,