June 15, 2009

Mrs. Elizabeth Murphy
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington DC, 20549-1090

Ref. File No: S7-08-09

Dear Mrs. Murphy,

There has been an ongoing witch-hunt against short-sellers for the last nine months as many retail investors seek out a scapegoat for the decline in the value of their retirement and brokerage accounts. However, their anger is clearly misplaced as short selling serves an important function in the stock market and can provide these small investors with an accurate picture of the true value of the securities they hold through price discovery. The true reason for the recent decline in the stock market is based on fundamental flaws with the financial sector's balance sheets and the broader economy.

Another factor arguing against the re-implementation of the up-tick rule is the benefit to small investors that occurs when mutual funds earn fees by loaning out shares to short-sellers. This is a noticeable revenue generating business for many mutual funds which are almost exclusively the investing province of small investors. The added returns that this provides will more than make up for any perceived loss in return that is brought about by shorting a stock.

It's also important to note that the currency, derivative, commodity, and bond markets operate with no up-tick rule or short selling restrictions. This does not seem to have hurt their effectiveness and nobody is questioning their obligation to artificially inflate the price of certain securities by limiting short selling.

Lastly, it is important to note that no concrete evidence has been submitted to the SEC that short-selling is responsible for the decline in stock values over the last year. Without any concrete empirical evidence it would be unwise to re-impose a rule that may be counterproductive and harmful to investors and market participants.

Sincerely,

Christopher Dowd

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