

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,

Hi. I hope all is well. My name is Frank Raffaele and I just wanted to give my quick input on the current short-sell debate. Firstly, I think that the SEC has always done a great job protecting American investors. It is full of hard-working and good-hearted people that want to help our country. I am a long equity minded person and I wish that everyone was always long stocks. There definitely needs to be work to prevent some short sales, but, I would recommend that rather than focus on the “up-tick”: I think the horrible issue of naked short selling and an unregulated credit default swap market is much more important. These are the two issues that in my reading and opinion are much more important and fixing them will help the market fix itself over time.

I love America and I love the ability for investors and individuals to build a retirement nest-egg through accumulation of long equity positions. I, like most Americans, lost a good portion of our life-savings last year during the market down-move. It was an upsetting down-move. As a part of my employment with Trillium Trading, I accumulated many long positions as the market continued to go down last year—I kept on believing and praying that the market would stop going down. In that one year substantial down move in the market, I lost many years worth of income within a few short months. I felt like a deer in headlights and I couldn't come to terms that my financial future was evaporating before me. My family had a double-whammy since my wife worked for Lehman Brothers (in Human Resources helping with benefits, health insurance, etc.). It was a tough year. I am depressed because of last year (seriously). After having lived through and survived the horrible events of 9/11/2001—I could honestly say that a lot of the same emotions were coming back to me. Of course the events of 9/11 are much worse than a market down-turn and we all know people that lost their lives that day and families were ruined but some of the same feelings that the world is ending and uncertainty and fear were once again pervasive in normal life last year. Many Americans, including my family, and many others were suddenly unable to pay simple bills and support our children and families. All of this because of a disjointed upsetting market condition caused by over-leveraging and problems with credit default swaps and naked short selling. I love when stocks rise in value. I love when America rises in value. The growth and dynamic nature of the American economy is based on the appreciation of equity values and the growth of our Gross Domestic Product.

I could truly understand the arguments for short sale restrictions. For example: naked short-selling should not be allowed. Investors should only be able to establish short positions when they are able to borrow the shares. Naked short selling could affect the market by one set of shares being lent to many different short-sellers. In addition, the

credit default swap market allows investors to take overly bearish (and leveraged) positions quite easily. The credit default swap market needs serious work. Lots of academics seem to believe that the credit default swap market contributed to last year's down-move--- especially when counter-party risk is factored in.

It was very painful for me to watch the market go down last year. As, the equity markets collapsed, I found myself glued to the stock prices and praying for an up-move. It was sad for me to see Lehman Brothers (stock symbol: LEH) go to practically zero. My double-long exchange traded funds also went close to zero. My family lost much of our small life savings in that move. It was a depressing year and it will affect my life forever. But, I also think that most academics and market observers feel that it is more important to focus on the credit default swap markets and the naked short sale issue rather than the "up-tick": I think the credit default swap market problem is why so many of us lost our life savings (and our health). I want and pray for the market to go up. I need it go up. I hope it goes up. I think that if the focus is on the problem of naked short sales and the credit default swap market, the market would have a better chance of rebounding in a strong and solid fashion.

I think that the issues of naked short selling and the disjointed credit default swap markets are much more important. I like being long stocks and owning stocks. I am a big believer that the markets do rise over time and I love being an owner of equities. I am an optimist. I wish that stocks always went up and I hope that they do; because America is a stronger and happier place when the markets rise. The focus that is currently being put on the "up-tick" rule would be better placed on the naked short sale problem and the credit default swap markets. Better curbs on leverage would also help the American economy and the American people. I will be praying for a speedy recovery for our great country and the great people in our country.

Thank you very much for reading my letter. God Bless.

All the Best,

Frank J. Raffaele