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June 15, 2009

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

Re: File Number S7-08-09

Madam Chairman and Commissioners:

We are filing this letter on behalf of our client, Advisory Research, Inc., ("ARI"). ARI is a registered investment advisor with approximately \$4.5 billion under management for institutions and high-net worth clients. It has been in business since 1974 and enjoys a stellar reputation.

ARI believes that the SEC should reinstitute the "tick test" as a means to ensure that the U.S. securities markets are both fair and balanced. We recognize that short sellers add liquidity and provide price discovery to the marketplace. However, we believe that an unrestricted short sale environment hinders capital formation and general investor confidence. We believe the "tick test" with its nearly 70 year track record would instill investor confidence balanced with the ability of short sellers to sell at price level consistent with the test.

In the October 2008 NYSE short sale survey, 85% of respondents favored the reinstatement of the "tick test". 82% of those respondents thought it would help instill investor confidence. ARI believes that confidence is necessary to encourage both large and small investors to purchase U.S. equity securities and invest in the future of this country.

We agree with the notion that corporations are not commodities:

- \* Corporations produce products, employ workers, and provide services, and therefore they are at the epicenter of our economy.<sup>1</sup>
- \* Because corporations are not commodities, it is sometimes necessary to provide protections that may impede certain marketplace activity. In this case, that activity is short sales.<sup>1</sup>

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<sup>1</sup> Joshua Morgan Brown writing for Seeking Alpha, Reinstatement of the Uptick Rule? (May 14, 2009).

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ARI believes that the limitation on the timing of a short sale is a small price to pay for protecting the integrity of our markets and the capital of our corporations.

Very truly yours,



Herbert S. Wander

HSW:tlc60733781

cc: Chairman Mary L. Schapiro  
Commissioner Kathleen L. Casey  
Commissioner Elisse B. Walter  
Commissioner Luis A. Aguilar  
Commissioner troy A. Paredes  
Mr. Brien O'Brien