June 8, 2009

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

File Number: S7-08-09

Dear Ms. Murphy,

I am writing in response the SEC's request for comments on the proposed Short Sale Price Test, as well as the Circuit Breaker Restrictions. As a registered representative with nearly eight years of trading experience, I can confidently say that these proposals threaten to jeopardize the most basic aspects of how the market should trade. At the heart of this issue are some of the most fundamental questions regarding the very nature of our financial markets. Indeed, if the mission of the United States Securities and Exchange Commission is to "maintain fair, orderly, and efficient markets," these proposals should not be allowed to pass.

One of the most important aspects of a fair marketplace is transparency. All investors, both large and small, should have access to all relevant information about a stock that they own or would like to own. The stock price of freely shortable stocks represents all true buying and selling interest in that stock for that particular moment. In fact, some market purists believe that the current stock price is the only relevant piece of information – or news - about the health of a company. Should restrictions be imposed on the price of a stock, investors have no way of knowing what the true open interest – and thus a more clear idea of the true current price- of the stock actually is. Such lack of transparency seems contrary to the very nature of a fair marketplace.

Another important goal of the SEC is to protect an efficient marketplace. By its very definition, an efficient market is one that functions in the best possible manner, with the least amount of waste of time or effort. When it comes to actual trading, this simply translates to a marketplace in which buyers and sellers can freely match up as quickly and as orderly as possible. Any predetermined, imposed restrictions on this most basic - and most crucial - of exchanges only serves as a severe hindrance to an orderly, well organized and efficient marketplace. Any restraints on the ability for buyers to meet sellers in an open market result in a fragmented system that promotes slower executions, oftentimes at price levels that do not truly represent outstanding buying and selling interest. More to the point, if these proposals are allowed to pass, the devastating result would be a far more illiquid marketplace, one in which orders must wait idly on the bid for execution by willing sellers until some synthetic criteria are met.

The SEC's effort in this area, while noble in its intent to protect investors, is perhaps somewhat misdirected. Stocks do not go down simply because market participants are allowed to sell them while they are declining. The list of reasons for the market's rapid decline in late 2008 and early 2009 is indeed quite long. However non-abusive short selling is not at the top of this list. As volatile and dramatic as the markets have been over the past year, there is no real proof of the detrimental effect of that short selling has had on the market. Rather, short selling provides the appropriate balance to optimistic views of the market, a balance that at times provides a much needed healthful dose of reality. If the SEC, in its effort to "promote market stability and restore investor confidence," is intent on imposing restrictions to the area of stock shorting, it should instead focus on abusive short selling practices. Investors would be better served if the SEC directed its efforts on reducing such practices as naked shorting, in which sellers do not intend to fulfill their short-selling obligation of borrowing the shares to settle the short sale transaction. It is imperative that restrictions on short selling do not come at the expense of the rights of all investors to participate freely in a transparent, orderly, and liquid marketplace. It is only in protecting these rights that the SEC can ensure that it is working towards its mission to "maintain fair, orderly, and efficient markets." The SEC's consideration in this matter, with your guidance, is greatly appreciated.

Sincerely,

John J. Raffaele, Registered Representative