June 3, 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,

I strongly oppose the reinstatement of the uptick rule. There are several reasons for my stance and I hope to convey them to you in a clear and concise manner:

- **Liquidity –** Short-selling adds a tremendous amount of liquidity to the marketplace. In addition to providing a supply of stock for sale on any given quote, each short-sale results in a short-covering buy. This added demand also provides liquidity. If the uptick rule is reinstated, the added restriction on short-selling would decrease the amount of short-sale participants, simultaneously decreasing the amount of short-covering liquidity added. This would deal a blow to the investment community by creating a hidden tax on every purchase and sale due to a lack of liquidity. The positive effects of decimalization would be marginalized.

- **Short-Selling Provides Information –** Short-selling provides valuable information to the investing public. Short-selling can alert other investors to major problems with a company's fundamentals. Over the past year, we have seen equity prices plummet and it has been painful. However, the characteristics of a fair and efficient marketplace should allow for the immediate correction and valuation of a company's market capitalization. In the past much has been done to ensure fair and efficient markets and the fairness of public information. The uninhibited ability to correct the value of a public company based on dramatic news is extremely beneficial to the investing public.

- **Decimalization –** With the introduction of decimalization to the equity markets, the ability of short-selling to dramatically drive down the price of a stock has been marginalized compared to the previous days of fractionalized stock prices. With fractions, the maximum number of different prices amounted to 6 (quotes in 1/16ths). With decimalization, the maximum price levels within each dollar is 100. In some instances, prices are quoted in 1/10 of a penny. This added level of price flexibility has decreased the ability for short-selling to quickly drive down the price as compared to the previous years of fraction. Hence, using data from the "pre-decimalization" years in order to backup the uptick claim is flawed given the different pricing environment.

It is interesting to note that the uptick rule was heavily debated during falling equity prices however has become rarely discussed during the recent appreciation in stock prices experienced since the March low. This illustrates that the impetus behind the uptick proposal is mainly due to emotion, anger, and a displacement of blame. In these environments, investors become desperate and search for answers and scapegoats. Investing in stocks is an inherently risky activity and all who invest should be aware of this. I would hope that the SEC makes a decision based on the facts, rather than on emotion. Thank you for taking the time to read this letter.

Sincerely,

David Ryzhik