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June 19, 2009

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

**In re: Amendments to Regulation SHO – S7-08-09**

Dear Ms. Murphy:

Taurus Compliance Consulting, LLC appreciates the opportunity to comment on the proposed amendments to Regulation SHO with respect to the implementation of restrictions on short selling. Taurus Compliance Consulting, LLC, hereby known as “Taurus”, offers compliance consulting and advisory services to a wide range of broker-dealers and investment firms, thereby holding a unique perspective on the issues encompassing a proposed change to the current short sale rules. As detailed throughout the SEC proposal, Taurus feels that there have been significant benefits to the marketplace with the relaxing of short selling restrictions, particularly the elimination of the uptick rule in July 2007.

Taurus feels very strongly that short selling is an integral part of the normal price discovery process, providing market liquidity and pricing efficiency. It is important to consider that short selling is not without inherent risk. Many observers and participants of trading and marketplace phenomenon, including academics, financial industry professionals, traders, and regulators, have expressed their opinion that short selling has significantly contributed to, even exasperated, the decline that our equity markets have experienced. While short selling was certainly a factor, its contribution to the decline should not be overstated. Taurus believes that market fundamentals and macro-economic data typically dictate the rise and fall of the equity market as a whole, with short selling existing merely as a mechanism to enable market participants to discover a true price level for a particular security. Taurus strongly believes that any proposal must consider the benefits of short selling, and the promulgation of new rules governing short selling must not be so draconian as to eliminate the benefits that the practice offers.

Taurus would like to advocate for a combination of both the “circuit breaker” proposal in conjunction with the “modified uptick rule” based on the national best bid, with the “circuit breaker” triggering the limitations contained in the “modified uptick rule.” Taurus believes the combination of these two proposals would be the most similar to the current rules, while providing investors with confidence that short sellers will be restricted from conducting any perceived market manipulation strategies such as “bear raids.” Moreover, the combination would implement the short sale price restrictions of the modified uptick rule only upon the occurrence of a severe market decline in that particular security, thus allowing normal trading in

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the absence of such a decline. Taurus believes that it should be left to the discretion of the SEC to determine the price decline necessary to trigger the circuit breaker which would implement the modified uptick rules. It is our belief that the modified uptick rule, which is based on the last bid rather than the last sale price, is the most sensible formula for achieving the desired goals in the event that the circuit breaker is triggered. The modified uptick rule would essentially prohibit “aggressive” short selling by market participants by prohibiting them from taking out liquidity on the buy side of the market. Taurus feels that using the circuit breaker, triggered by a specified decline in a security, to initiate the modified uptick rule discussed in the SEC rule proposal would serve the interests of market efficiency and investor protection.

Taurus Compliance Consulting, LLC generally supports proposals which encourage investor confidence in national equity markets. Taurus would like to stress that it supports the proposals suggested above, which would maintain many of the current trading rules, while implementing reasonable and effective limitations on short selling upon the severe decline of a particular security. Taurus encourages the SEC, as well as FINRA, to provide trading venues, market participants, and others in the financial industry sufficient time to implement the necessary changes that will result from the adoption of any new rule changes. There may be significant technological burdens to many smaller firms in changing their existing trading rules protocol, and any changes to the existing rules will likely result in the expenditure of a significant amount of resources on their behalf. If implemented correctly, Taurus believes that these new amendments to Regulation SHO will assist our clients in the development and implementation of more uniform policies, procedures and compliance controls necessary to encourage national investor confidence.

Taurus Compliance Consulting, LLC exists to provide our clients with the knowledge and expertise necessary to have the most robust compliance structure possible. We constantly strive to strike a balance between customer protection and market efficiency. As stated earlier, Taurus is a proponent of both SEC and FINRA rule proposals that streamline and clarify the compliance obligations of a member firm while maintaining a fair and reasonable balance between investor confidence and important trading mechanisms that enable the desired goal of market efficiency and price discovery.

Please feel free to contact me at 1.800.388.8822 (Ext. 150) or [bcollie@tauruscompliance.com](mailto:bcollie@tauruscompliance.com) if you have any questions or would like to further discuss this proposed rule change. Thank you again for the opportunity to comment.

Sincerely,



Brian M. Collie, Esq, MBA  
Associate