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May 14, 2009

The Honorable Mary Schapiro, Chairman  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

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OFFICE OF THE SECRETARY

Dear Madam Chairman,

For more than ten years, I have served on the board of The Committee for Economic Education (formerly the NCEE). It was my pleasure to meet you when you received the Visionary Award at The St. Regis Hotel last fall.

For fifty-one years, I have been employed by the firm of Scott & Stringfellow LLC in Richmond. I have been Chairman since 1973, and also a Member of the NYSE since that time. While no longer involved in the management of the firm, I do serve as advisor to foundations and individuals with securities valued (on any given day) at between \$200-\$300 million.

I am writing to urge The Commission to reestablish the "uptick rule" on short sales. I have heard many arguments about why this cannot or should not be done. If a one cent uptick is not enough, make it a larger amount. The proposed circuit breaker will not prevent the short selling from continuing the next trading day and thereafter.

Persistent short selling by the hedge funds and others has allowed them to make a huge amount of money while destroying confidence in the markets and in long-term investing and savings by the clients of our firm and every other firm handling investments for the smaller investor. Every financial advisor with whom I have talked thinks removal of the up-tick was a mistake. Not only should the up-tick rule be restored, but the SEC should require disclosure of persistent short selling by the hedge funds and others.

The greatness of the American Economic System has been that the individual investor has had the confidence to invest his or her savings in order, as Keith Funsten liked to say, "to own a share in American business". Today, because of flagrant short selling and other institutional hyperactivity, many Americans are hesitant to invest. The American Economic System will be severely impaired if investors are afraid to invest in securities of American (and international) enterprises.

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You may have noticed the issue of *Parade Magazine* on April 12, 2009, which showed a sampling of annual salaries earned by a broad spectrum of Americans. It is an interesting comment on hedge funds that the top compensation was earned by John Arnold of Houston, Texas, with a figure of \$1.5 billion.

On behalf of hundreds of millions of current and future investors, I urge you to take appropriate action to stop the indiscriminate short selling of securities. We got along fine with the uptick rule until 2007. If there is a better protection against rampant short selling by the hedge funds and big investment firms, then I urge you to adopt it as quickly as you can.

Our markets, and our economy, need an injection of confidence. Failure to act on this matter will be an enormous mistake.

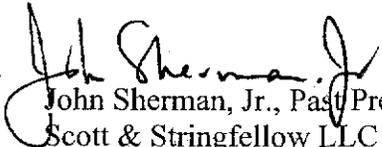
Respectfully submitted,



S. Buford Scott, Chairman  
Scott & Stringfellow LLC



Walter S. Robertson, III, President and CEO  
Scott & Stringfellow LLC



John Sherman, Jr., Past President and CEO  
Scott & Stringfellow LLC



William P. Schubmehl, Past President and CEO  
Scott & Stringfellow LLC

- cc The Honorable Barack Obama
- The Honorable James Webb
- The Honorable Mark Warner
- The Honorable Eric Cantor
- The Honorable Tim Kaine
- The Honorable Thomas Bliley