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September 17, 2009

**Via Email:*rule-comments@sec.gov***

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

**Re: File No. S7-08-09**
**Comments on the Alternative Uptick Rule (Reg SHO)**

Dear Ms. Murphy:

Wells Fargo Advisors ("WFA") appreciates this opportunity to comment briefly on the alternative uptick rule proposed by the Securities and Exchange Commission ("SEC" or "the Commission") as it re-opened the comment period on amendments to Regulation SHO. The alternative uptick rule would allow short selling only at a price above the current national best bid. For the reasons discussed below, WFA supplements its earlier comment letter[1] to support this alternative uptick rule.

WFA consists of brokerage operations that administer over $900 billion in client assets. It accomplishes this task through 15,600 full-service financial advisors in 1,100 branch offices in all 50 states and 5,900 licensed financial specialists in 6,610 retail bank branches in 39 states.

Until its repeal in 2007, the uptick rule had as its purpose the elimination of the possibility for short sellers to exacerbate and accelerate a decline in a stock's price. After re-opening the comment period, the SEC suggests that commenters consider the alternative uptick rule. In either an advancing or declining market, this alternative uptick

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[1] See letter from Ronald C. Long, Director, Regulatory Affairs, Wells Fargo Advisors, LLC, dated June 20, 2009.

rule would allow short selling only at an increment above the current national best bid. Among the benefits of this proposal as described by the SEC is that it restricts short selling to a greater degree than the other proposals since short sales would not get immediate execution. WFA supports this alternative because it will be easier to monitor as a firm need only focus on the current national best bid as opposed to reviewing its relationship to previous national best bids. The alternative uptick rule should also be much easier to implement, and it could likely go into full effect sooner than the other proposals.

The rule should receive popular support as it provides a tangible and visible standard by which short sales can be monitored. Permitting short sales only when they occur above the current national best bid will also satisfy the public as it should effectively correct abusive short selling. The rule fairly and efficiently should prevent the "piling on" effect in a rapidly declining market, and, therefore, help an interested public feel that "something is being done" related to short sales. Though some are concerned about the alternative uptick rule's impact on market liquidity and spreads, the rule proposal could include studies of the impact on liquidity and spreads at the six, twelve and twenty-four month periods after the rule's effective date.

The Commission should have exchanges implement the alternative uptick rule through a strict prohibition approach that prohibits any person from effecting short sales at impermissible prices. This straight prohibition approach is preferable to a structure that would have market centers and/or broker dealers create policies and procedures designed to prevent the display or execution of short sales at impermissible prices. Variations in policies and procedures would lead some to believe certain market participants are less vigilant than others. This result could create some version of "compliance arbitrage." For the goal of instilling public confidence that the marketplace has controls in place for abusive short sales, the exchange prohibition approach reduces this perception.

Thank you for providing WFA the opportunity to comment on this specific short sale alternative uptick rule proposal. We believe that the SEC will likely come up with a better rule by taking the additional time to review possible alternatives. If you have any questions regarding this comment letter, please do not hesitate to contact me.

Sincerely,

Ronald C. Long
Director, Regulatory Affairs