

June 5, 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,

The purpose of this letter is to share my position on the reinstatement of Regulation SHO regarding the short sale of stock. My view of the "free market" is that ultimately buyers and sellers interpret the value of an asset based on supply and demand. If short sellers push the value of an asset downward, it presents a buying opportunity, and the liquidity added to the market via short sellers is truly a benefit to market participants wishing to establish long positions.

This rule was created to ensure the market works fairly, but how is it fair to limit opportunities derived from our current system with the absence of Regulation SHO? Alternative measures could be taken to improve general market confidence and integrity such as a modified up tick rule that comes into effect if a stock is down a certain percentage. There are reasons up tick proposals have failed in the past and nothing has changed significantly enough to qualify moving forward with a reinstatement.

Another important issue to note is the power of the upward momentum created by a short squeeze. The current market upswing can certainly be bolstered by short positions being covered. The average investor waits for strength to invest and what better way to illustrate strength than for the market to jump over 30% in just a couple of months. It may appear that reinstatement of the up tick rule would create a more controlled, less erratic market, but I believe there will be a horrible side effect of stunted economic growth.

Sincerely,

Anthony Lillo