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Reinstate the "Uptick Rule"

The worldwide securities and credit markets continue to experience unprecedented meltdowns and volatility. Millions of investors are losing their life savings and retirement assets. There continues to be widespread manipulative short selling and bear raids. The investing public is losing confidence in the integrity of our markets.

For the past 5 months, we have called on the SEC to reinstate the "Uptick Rule" which helps limit downward spirals by allowing a stock to be sold short only after a rise from its immediately prior price. Despite widespread market participants' calls to do so, the SEC has failed to act. The SEC must reinstate the Uptick Rule now to address the short selling, bear raids, and the spreading of false rumors. Nearly all the reasons that the SEC gave for repealing the Uptick Rule in July 2007 are not valid in today's turbulent markets. In fact, the very same conditions that led to the adoption of the Rule in 1938 exist today.

Historically, the SEC has played a leadership role during market crises to assure that the markets are fair and orderly. The SEC has not hesitated in the past to be creative and innovative in protecting the securities markets and the financial intermediaries from manipulative conduct. Decisive action cannot await the appointment of a new SEC Chairman. The SEC must take a leadership role in restoring investor confidence. It is long overdue. The SEC and Chairman Cox must act now. There is no tomorrow. The failure to reinstate the Uptick Rule is not acceptable.

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