

Hoekstra, Cynthia

From: Adam Duderstadt [REDACTED]
Sent: Thursday, March 12, 2009 6:10 PM
To: Hoekstra, Cynthia
Subject: Strong uptick rule

Attachments: Strong uptick letter - Hawke.doc



Strong uptick letter
- Hawke.d...

Dear Cynthia Hoekstra,

I was pleased to receive your letter dated 3/9 regarding the elimination of the uptick rule. A personalized and thoughtful response is a welcome surprise.

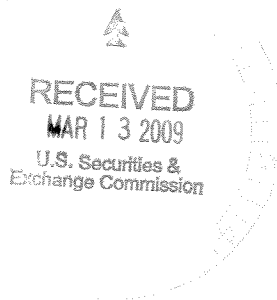
I agree with the SEC's analysis that the uptick rule in its original one-cent format had grown weak since decimalization. As a result of this belief, by the time I received your letter I had already composed and mailed letters urging that the new uptick rule be stronger than the original. I have attached an electronic version of that letter. Please note that the attached letter was written prior to Mary Schapiro's testimony on 3/11.

I would like to thank you again for your time and your consideration.

Yours very sincerely and respectfully,
Adam Duderstadt

March 11, 2009

Daniel M. Hawke, Regional Director
The Mellon Independence Center
701 Market Street
Philadelphia, PA 19106-1532



Dear Regional Director Hawke,

I was extremely relieved to learn of Representative Barney Frank's comments yesterday regarding reinstatement of the uptick rule in the near future. I trust that his remarks were well-founded. On behalf of average individual investors everywhere, I want to thank you in advance for the protection that the uptick rule will again provide.

However, I strongly suggest that you implement an uptick rule that is stronger than the rule that was in place for almost 70 years. One of the reasons erroneously cited in 2007 as justification for the elimination of the rule was that it had grown ineffective and no longer served any purpose. While the original rule may have shed some of its utility over the years, that was only because when the rule was implemented, stocks were traded not in cents but rather in $1/8^{\text{th}}$'s and $1/16^{\text{th}}$'s. In such an environment, an uptick rule at the one cent level was robust and protective of the average investor, while still allowing the meaningful market mechanism of stock shorting. However, given the characteristics of the modern market, I submit that a new uptick rule must be instituted at the five cent level in order to be truly effective (an "upnickel rule", if you will).

Please implement an uptick rule with some teeth. Thank you very much for your time and consideration.

Respectfully,

Adam Duderstadt

March 5, 2009

Daniel M. Hawke, Regional Director
The Mellon Independence Center
701 Market Street
Philadelphia, PA 19106-1532



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Dear Regional Director Hawke,

I wrote a letter a month ago to Chairman Schapiro, but sadly I did not receive even an automated response. I imagine this latest letter will receive a similar silent response, but on the off-chance that any of the Regional Directors actually pay attention to public feedback, I figured I would state my case again to each and every one of you.

I write to you today as a concerned American citizen and as a concerned investor. I believe it was extremely poor judgment that allowed the uptick rule to be eliminated in 2007. The uptick rule had served this country well ever since the time of the first SEC chairman. Sadly, the elimination of the rule could not have come at a worse time. The safety net that the uptick rule provided was always valuable, but never more so than in times of economic uncertainty and fear.

Unfortunately, we find ourselves in the midst of a severe recession, and I believe this recession coupled with the repeal of the uptick rule has allowed some parties to aggressively drive down the stocks of many publicly-traded companies. These short sellers are profiting from downward price manipulation that would not be possible if the uptick rule were still in effect.

Therefore, I strongly urge you to reinstitute the uptick rule as soon as possible. A great deal of damage has been done already, but that does not mean that this solid piece of regulation should not be put back into place. Thank you for your time and your consideration.

Respectfully,

Adam Duderstadt