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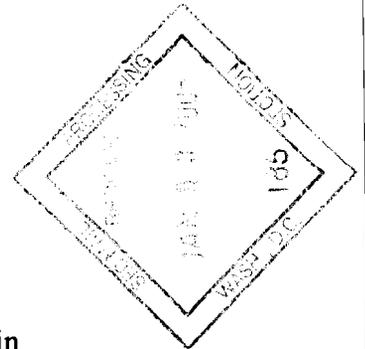
JAN 04 2005

SECURITIES & EXCHANGE COMMISSION
OFFICE OF INVESTOR
EDUCATION & ASSISTANCE

RE: File No. S7-10-04 Proposed Rule on Regulation NMS

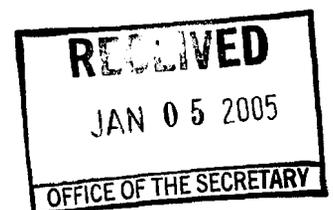
Dear Sirs,

I am writing to you to express my concerns about the Security and Exchange Commission's proposed Regulation NMS, which is designed to update and strengthen our national securities market. A core part of the proposal contains, as one of two options, a provision that would radically change the structure of the U.S. capitol markets and effectively turn our internationally competitive, investor-driven markets into government utility.



The provision in question would create the equivalent of a Consolidated Limit Order Book (CLOB), a radical concept first envisioned in the late 1970's, then debated by Congress and the SEC previously in 2000. The CLOB has been rejected by Congress and the SEC previously, and should be again, for one overriding reason: it would effectively nationalize the U.S. equity markets, removing incentives for markets to compete with one another.

The U.S. equity markets are the strongest in the world. In a splintered, electronic-only marketplace where exchanges must chase displayed orders from market to market, large orders of stock would be difficult to manage. Instead, they would be traded in private markets or overseas. It is unclear why the SEC has decided to fix what is not broken, and put the competitiveness of the U.S. capitol markets at risk.



The SEC has chosen to follow this path at the precise time that competition is transforming the largest equities market in the world. The NYSE is on the verge of implementing its new Hybrid Market. The NYSE Hybrid Market will offer customers what they have been demanding-the ability to choose to trade electronically or through the auction market. The proposed CLOB would eliminate the opportunity for a negotiated trade within the system, and preclude any possibility that the hybrid market will ever become operational.

As an employee of a member of the New York Stock Exchange, I urge you to express your support for the Regulation NMS proposal without the CLOB provision to SEC Chairman Donaldson and the other Commissioners. Thank you for your consideration.

Michael J. Leeming