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'Aladdin, Vicki T.

ES129343

From: Santiago, Awilda
Sent: Thursday, March 26, 2009 1:31 PM
To: CHAIRMANOFFICE
Cc: Nagesh, Ammani
Subject: FW: Chairman Schapiro

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From: Dermott Clancy [mailto:DWC@DWClancycorp.com]
Sent: Thursday, March 26, 2009 1:25 PM
To: Santiago, Awilda
Subject: Chairman Schapiro

Dear Chairman Schapiro,

My name is Dermott Clancy. I own and operate a direct access broker dealer on the floor of the New York Stock Exchange. I represent some of the largest mutual funds in the country, as do several of my colleagues.
We respectfully request a meeting with you to discuss the complete destruction of the United States market structure. We have witnessed this destruction from what one would say would be ground zero.

As the practitioners representing the investor's interest, watching the exchanges and their partners (the big firms and banks of Wall Street) take advantage of the public, we feel that there is no way we can watch any longer.

The new uptick proposal is very disrespectful to the intelligence of your office. I am sure you realize the millions and millions of dollars at stake on a daily basis for Wall Street to maintain several practices.
Just to mention one: the reimplementation of the tick rule would protect the investor but, unfortunately, cost the banks and exchanges millions due to non-executed transactions. Another big problem with the short rule that very few speak of, is the lack of a tick rule facilitating a black box algorithm from reading my mutual fund's interest and then running in front of the customer interest, costing the customer millions of dollars per transaction so that Wall Street can profit. Another problem is the buying of order flow. Exchanges are very vocal about their willingness to buy the order flow from Wall Street.
Keep in mind that the practice of buying order flow has been very successful and the money generated from that order flow does not get passed along to the investor. How, in a million years, is selling order flow to the highest bidder, meeting a firm's fiduciary responsibility of *best execution*?

Unfortunately, Wall Street's desire to make these changes has, to this point, been accommodated by the SEC. Through the transition period, there were committees of practitioners put in place. Here's an example of how successful that committee was: on one occasion, there was a vote taken about Rule 127. The Governors and floor officials of the NYSE voted roughly 50 to zero; definitely zero, not to remove the rule. The NYSE's response was that it will take this vote into advisement. Several months later, the rule was changed. These are only a hand full of the abuses.

If you want a knowledgeable true description of how we got here, what's wrong with it and how to fix it, you would be very hard pressed to find a better group of individuals whose only interest is to protect his customer, than the group I have compiled. You have to remember that Exchanges and large broker dealers are partners.

Again, I respectfully request, on behalf of myself and several colleagues with hundreds of years of combined experience whose sole goal in life, on a professional basis, has been to protect the investor.

Thank you very much for your time. Good luck with your new job. I look forward to hearing from you.
-Dermott W. Clancy

The Dermott W. Clancy Corp.

[redacted]