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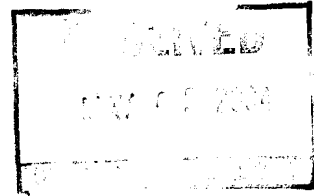
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# VISTA RESEARCH

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April 7, 2004

4-492



The Honorable William H. Donaldson  
Chairman  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Chairman Donaldson,

The Commission is currently considering possible regulatory action related to the section 28(e) safe harbor clause of the 1934 Exchange Act. We look forward to your testimony before the Senate Banking Committee on this and other issues.

As an independent provider of financial research we play a critical role in delivering unbiased information to a wide range of investors. *Any change which prohibits the use of commission dollars to pay for research will irrevocably damage our ability to deliver independent research and remain in business.*

Independent research has been one of the market's best watchdogs—uncovering such corporate scandals as Enron, Worldcom, Tyco, and Parmalat months before either other researchers or regulators acknowledged these frauds.

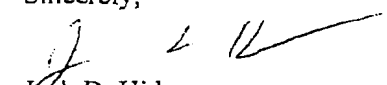
We support disclosure of the breakdown of commission dollars. Soft dollar brokers have the ability today to delineate these cost allocations and this information should be provided to investors. Specifically, investors should know how much of such commission dollars were used for independent research.

We support the proposed requirement for institutional money managers who manage public funds such as pension allocations to buy at least two sources of independent research. This would bring public fund managers in line with investment banks who are now required to contract with two outside sources under the Global Research Analyst Settlement. While the settlement dealt with the issue of retail customers, the overwhelming majority of liquid assets of U.S. citizens is managed by large institutions through pension fund and other allocations.

We would hope that the Commission will consult with independent providers of unbiased research such as Vista Research before it dictates changes to the current system. Vista co-founded the Investorside trade association of more than seventy independent research providers nationwide. We add our thoughts in this letter to the association's comments.

Please feel free to contact me at (646) 349-6606 or jack@vistaresearch.com.

Sincerely,

  
Jack D. Hidary  
Managing Director