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Member New York Stock Exchange, Inc./Member SIPC

July 19, 2004

Mr. Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington DC 20549-0609

Re: File No. 4-493, Request for Rulemaking Regarding Shareholder Communications

Dear Mr. Katz:

Legg Mason Wood Walker, Incorporated appreciates the opportunity to comment on the recent Business Roundtable Petition for Rulemaking Regarding Shareholder Communications. While Legg Mason supports issuer communication to shareholders, we do not support this proposal because it would cause severe problems to the proxy process for beneficial shareholders.

Unlike shareholder communications for registered holders, the beneficial shareholder process is extremely complex. The current beneficial voting system has several key features that could not easily be replicated if each issuer dealt with their own shareholders:

1. Institution/Money Manager Voting – ADP, as the principal provider of proxy services for the securities industry, offers institutions and money managers a single platform for reviewing votes, recording votes, updating votes, and vote recordkeeping. These votes are critical for many meetings. Any alternative to the present system must provide the same or improved services to institutions and money managers. Legg Mason believes that most of the benefits of this system would be lost in the alternative suggested in the petition.
2. Uniformity in beneficial shareholder proxies – The use of one system for website voting, telephone voting and presentation of information makes it easier for investors who own numerous equities. Legg Mason is concerned that complexity in this area will increase expenses, frustrate beneficial shareholders and reduce the number of votes cast.
3. Quick action – ADP allows for quick follow-up with street name investors using a robust database of investor information. Because of the links to the brokerage firms and the information that investors have

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provided to ADP, every issuer benefits. If each issuer had to solicit e-mail addresses, householding consents, website passwords, etc., significant costs would be added to the voting process.

Legg Mason supports the position of the Securities Industry Association in recommending against a petition to re-engineer the system and instead work together with all participants to address any concerns of the Business Roundtable. The SIA has a long history of working closely with the SEC and various constituencies in the design and features of the current process and will be a key player to any discussion.

Thank you for the opportunity to comment on this petition. If you have any questions or would like to discuss our views further, please contact me at 410-580-7400.

Sincerely,

D. Stuart Bowers
Senior Vice President