

SANDUSKY COUNTY

Commissioners Office



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COMMISSIONERS:
Dan Liskai
Brad Smith
Terry Thatcher

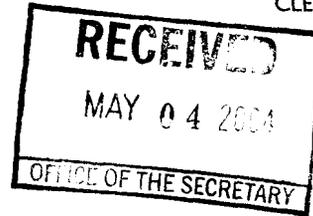
April 13, 2004

Chairman William Donaldson
Securities and Exchange Commission
450 Fifth St., NW
Washington, DC 20549

OF THE
CLERK

CLERK/FISCAL OFFICER:
Irma Celestino

116



RE: File No S7-10-04

Chairman Donaldson,

To begin, I would like to commend the Securities and Exchange Commission for considering much needed improvement to our securities markets. Implementation of the idea that an informed investor should have more choice in executing their trades is absolutely the right way to approach modernization of our securities markets. Focusing on the investor's need for more choice and flexibility in trading can only result in better trading standards that will greatly improve securities markets.

While I am encouraged by the proposed "opt-out" rule that would allow informed investors to opt out of chasing the best advertised price when it may not be in their best trading interests, the Commission must take steps to ensure that opting out is a real choice.

To do, the process of invoking the "opt-out" rule must be as simple and easy as possible to execute. The exception will only be valuable and improve trading on securities markets as long as it is easy to use. For example, the Commission should make clear that sophisticated investors can opt out an order simply by including instruction when submitting their order or creating an order type that is specific to the opt-out exception. In addition, the Commission should confirm that brokers have received informed consent from investors if the brokers have such instructions on the order or if brokers have a specific order type. Opted-out orders should also be publicly displayed so as to increase market transparency, enable competition among markets, and encourage order interaction across markets.

Such clarifications will help to ensure that final regulations will provide true choice to investors. Not only will these clarifications foster efficiency that is lacking under the current trade through rule, they will allow the "opt-out" rule to avoid becoming too complicated or burdensome to be effective.

Again, I am encouraged by the proposed change to our securities markets and hope you consider these clarifications when making final regulations.

Sincerely,

Brad Smith
Sandusky County Commissioner

April 15, 2004

File No S7-10-04

William Donaldson, Chairman
Securities and Exchange Commission
450 Fifth St., NW
Washington, DC 20549



Daniel Liskai
SANDUSKY COUNTY
COMMISSIONER

Commissioner's Office

Historic County Jail
622 Croghan Street
Fremont, Ohio 43420

Office Phone: (419) 334-6100
Office Fax: (419) 334-6104
Direct Line: (419) 333-6901
Home Phone: (419) 849-3655
Liskai_Dan@co.sandusky.oh.us

Dear Chairman Donaldson,

I am writing to support the proposed Regulation National Market System that aims to modernize the "trade through" rule that currently forces investors to consider only price when making key decisions regarding trades. Though the trade through rule seeks to ensure the best price for investors when they buy or sell stocks, it does not account for other factors investors take into consideration when trading. For example, sophisticated investors may want to focus on the speed of execution when buying or selling stock; the current regulation does not allow for that consideration when making trades.

In an increasingly more sophisticated market, investors need to be able to consider factors other than “best price” when making trading decisions. Because of the nature of the trade through rule, the NYSE is hampered by the kind of delay that other markets, such as the NASDAQ, do not face. As a result, while NASDAQ prices are immediately updated after trades, stocks on the NYSE may face minutes-long delays that cause inefficiency.

By allowing the “opt-out” regulation, the Securities and Exchange Commission is taking a step forward in creating an efficient market that encourages flexibility and faster trades. This regulation goes a long way in correcting inefficiencies created by the outdated trade through rule that currently regulates trades.

Thank you for listening.

Sincerely,

A handwritten signature in black ink that reads "Dan Liskai". The signature is written in a cursive style with a large initial "D" and a distinct "L".

Dan Liskai

Sandusky County Commissioner

File No S7-10-04

April 16, 2004

Chairman William Donaldson
Securities and Exchange Commission
450 Fifth St., NW
Washington, DC 20549

Dear Chairman Donaldson,

For far too long, the trade-through rule has hindered the ability of investors to compete in manual markets at the same efficiency as those competing in electronic markets. Though the trade-through rule seeks to maintain a worthy standard in its attempt to ensure investors obtain the best price when trading stocks, in practice it has lessened flexibility and significantly slowed manual markets.

Not only has the trade-through rule resulted in adverse effects on manual markets, it has also partially failed in achieving the very thing for which it was created. The rule currently requires orders to be sent at the best posted or advertised price – not to the actual best guaranteed price. This essentially forces investors to risk losing the actual best price so that they can seek a better price on another market. Such a situation necessarily delays updates to prices on manual markets when new information enters the market.

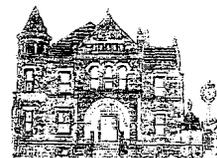
These problems are not found on electronic markets that are not regulated by the trade-through rule or any similar rules. Therefore, electronic markets such as the NASDAQ allow for flexibility through tighter spreads and lower transaction costs that benefits all investors.

Modifying the trade-through rule with an opt-out exception may be a crucial first step in allowing manual markets to foster trading on level with electronic markets with greater flexibility, increased speed of execution, and encouraging individual choice currently hampered by the current regulation.

Sincerely,



Terry T. Thatcher, President
Sandusky County Commissioner



Terry T. Thatcher
SANDUSKY COUNTY
COMMISSIONER

Commissioner's Office

Historic County Jail
622 Croghan Street
Fremont, Ohio 43420

Office Phone: (419) 334-6100

Office Fax: (419) 334-6104

Direct Line: (419) 333-6902

Home Phone: (419) 332-6351

Thatcher_Terry@co.sandusky.oh.us