



AUDITOR OF MARION COUNTY  
**MARTHA A. WOMACKS**

801 CITY-COUNTY BUILDING  
200 EAST WASHINGTON STREET  
INDIANAPOLIS, INDIANA 46204-3316  
(317) 327-3001 • FAX (317) 327-3020  
TDD FOR HEARING IMPAIRED (317) 327-5186

CHIEF DEPUTY AUDITOR  
D. TERRY NELSON

DEPUTY AUDITORS  
DANIEL M. JONES  
SHIRLEY J. MIZEN, C.F.A.  
THERESA A. JOHNSON

May 21, 2004

ES 107116

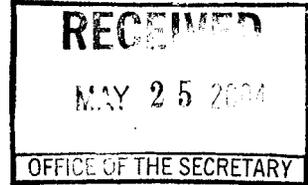
177

Honorable William H. Donaldson  
U. S. Securities and Exchange Commission  
450 First Street, NW  
Washington, DC 20549

*Transmitted via Facsimile to*  
202-942-9646

Re: File #~~87-1-04~~

**S7-10-04**



Dear Chairman Donaldson,

I was glad to hear that both the SEC and Congress have held hearings and are discussing the strengths and weaknesses of the current national securities markets. The Commission is to be commended for seeking the opinion from diverse groups of investors in its effort to determine areas in need of change.

It is my understanding that you have indicated your eagerness to modernize the system and to do so in a comprehensive manner. Of special interest to me is the much-needed reform of the trade-through rule. As you well know, stocks listed on the NASDAQ are not bound by this rule and investors have benefited.

Four decades have passed since major changes were last made in the markets. It is obvious the system is now antiquated and in need of modernization. The trade-through rule, which was established in the 1970s, may have been appropriate at the time, but it is clear there is need for reform of this rule. I believe the proposed "opt out" provision may be a good idea for experienced investors.

Fortunately, there is growing support for such a provision, and I hope as the Commission works toward reform of the markets, it will consider providing an opportunity for investors to opt out.

Sincerely,

D. Terry Nelson

- c: Commissioner Paul S. Atkins
- Commissioner Roel C. Campos
- Commissioner Cynthia A. Glassman
- Commissioner Harvey J. Goldschmid
- The Honorable Evan Bayh