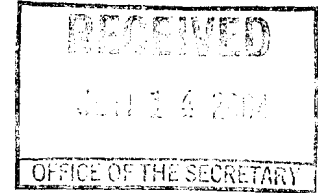


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May 12, 2004

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

57-10-04

Dear Chairman Donaldson,

It is long past time for the Commission not only to consider modifications to manual markets, but also to implement changes in a way that promotes and enhances their value.

While the reasons behind the **trade-through rule** theoretically justified its creation, its implementation has resulted in adverse effects to the manual markets that should be rectified. Though encouraging investors to seek the "best price," the changing needs and interests of investors has made the trade-through rule nothing more than a barrier to sophisticated trading. Since investors consider many factors when trading, a rule that requires them to consider price only, serves to hinder investors' ability to compete on the same level with markets that are not subject to the trade-through rule.

The **opt-out exception** provides an effective way to modify the trade-through rule to allow for carefully planned trading on a level with other markets. Most significantly, the opt-out exception fosters choice for the investor to act in their interest when factors other than price are of prime importance.

To enhance the value of the opt-out exception, it must be as easy to use and to implement as possible. Requiring an overly bureaucratic and tedious process to trade while using the opt-out exception would only diminish its value and effectiveness for investors. Please do not prescribe a cure and then make the treatment so painful that no one can endure it. The **opt-out exception** is most valuable if it includes a simple process for execution. Thank you for your hard work to give our industry increasing integrity.

Sincerely,

David L. Kniffin

Cc: Congressman Mike Oxley