

ES107268

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**



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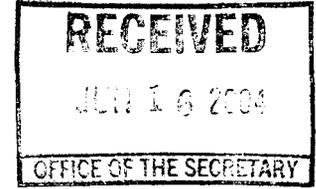
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S7-10-04

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May 20, 2004



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

Dear Chairman Donaldson:

As the Administrator for the Santa Barbara County Employees' Retirement System, I am charged with the investment of the assets of the plan in a diversified manner that minimizes risk of loss and maximizes members' rate of return. Keeping this responsibility in mind, I am writing to urge your support of the Securities and Exchange Commission's proposed amendment to the existing Trade-Through Rule (File No. S7-10-04).

The current Trade-Through rule is unnecessarily restrictive and outdated. It fails to allow for important factors that modern investors or pension fund managers may want to consider when trading, including certainty and speed of execution.

The Commission's proposed rule changes will modernize the national market system while protecting the fundamental principle of price priority. Safeguarding investor freedom and protection in a competitive market environment is critical to our members and their pension funds. Updating the current obsolete trade-through rule with the Commission's proposed amendments is a commendable step toward accomplishing the preservation and integrity of the capital markets.

I, therefore, respectfully ask that you vote in favor of the Regulation NMS proposal.

Thank you for your time and consideration.

Sincerely,

Oscar Peters
Administrator
Santa Barbara County Employees' Retirement System