

ES108473

470

May 13, 2004

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



57-10-04

Dear Chairman Donaldson:

I want to first commend and thank you for your tremendous efforts to modernize the structure of the U.S. financial markets. As you are aware, the "trade-through" rule is outdated and onerous. I support the proposed "opt-out" clause which would help the market in many ways.

In that regard, I encourage the SEC to make the process of opting out an order as simple as possible for sophisticated investors to use and for their brokers to implement. The value of this type of exception is only as good as its ease of use and implementation. As you can appreciate, the more difficult to opt out, the less valuable the exception will be. There are several ways in which the SEC can ensure that the process is simple.

First, they should clarify that investors can opt out an order by simply including an opt out instruction when submitting their order or by using an order type created specifically for this purpose. Second, the SEC should confirm that a broker has received informed consent from an investor if it receives an opt out instruction when the order is submitted or an opt out order type. Without this confirmation from the SEC, brokers will have to invent time-consuming processes to obtain consent which would introduce unnecessary delays. Third, the SEC should provide investors with the ability to enter into individual agreements with their brokers to opt out on each and every trade.

The SEC should also allow markets to publicly display opted out orders that lock or cross the displayed quotes of other markets, which will increase market transparency, enable competition among markets, narrow spreads, and enhance order interaction among markets.

I cannot emphasize the importance of giving investors true choice. If the final regulations are too complicated or burdensome, it will not be worth the effort.

Many thanks for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Cullen".

Meredith Cullen

Cc: Commissioner Paul S. Atkins
Cc: Commissioner Roel C. Campos
Cc: Commissioner Cynthia A. Glassman
Cc: Commissioner Harvey J. Goldschmid
Cc: The Honorable John Culberson