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December 29, 2004

57-10-04

The Honorable William H. Donaldson  
Chairman  
Securities and Exchange Commission  
450 Fifth Street, N.W., Room 6100  
Washington, D.C. 20549-0609

**Re: SEC National Market System Proposal**

Dear Chairman Donaldson:

I am writing to express my concerns about the Securities and Exchange Commission's proposed Regulation National Market System that appears to mandate a Consolidated Limit Order Book.

I believe the Consolidated Limit Order Book would put at risk the benefits investors in U.S. listed stocks receive from the competition between U.S. markets and from "best price" protection. Currently investors have a choice, which type of execution they prefer. Both retail and wholesale investors are treated equally. The CLOB would not only put these benefits, but the entire New York Stock Exchange at risk.

I also believe the CLOB would make the U.S. equity markets more vulnerable to foreign markets. Our financial markets are the envy of the world, and a national asset. Why give European markets a welcome mat and outsource our national asset?

The largest equities market in the world, the New York Stock Exchange, is currently implementing significant changes on its own—the new Hybrid Market. The SEC should not force this dramatic, regulation-drive change at such a critical time.

As a former member of the New York Stock Exchange for over 25 years, I urge you to reconsider the SEC proposal mandating this Consolidated Limit Order Book. I know first hand how well the market works. Our financial markets are our national asset—the envy of the world. Let us protect this asset.

Sincerely,

*Michael A. Gaultieri*  
Michael A. Gaultieri

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

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