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William H. Donaldson
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

SP-10-04

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OFFICE OF THE SECRETARY

Dear William H. Donaldson:

My name is Daniel P. Kryger , I started as a runner on the New York Stock Exchange back in September of 1980,I am now a floor broker on the floor of the Exchange. My reason for stating these facts is so you can see up front where I am coming from. I am enclosing with this letter a copy of a study that shows the obvious advantages of trading on the N.Y.S.E. with the trade thru rule as it is.Certain individuals wish to do away with this rule,a rule that basically forces all executions to be executed at the best bid or offer ,which 93% of the time is on the N.Y.S.E..Electronic markets call for the elimination of this rule, they are looking for the government to give them help in competing with the N.Y.S.E.,they are at this time unable to compete with this exchange because they add very little to execution process.They do not offer price improvement or superior liquidity that is now offered by the open outcry model that has been used on the floor of the N.Y.S.E. for over 212 years.Others call this archaic,yet this auction market trades 80% of volume in stocks that are listed on the N.Y.S.E.,and provides a better price 93% of the time.There are still other critics who state the auction market is to slow,how does speed win over price improvement? This is one argument I will never understand large portfolio and money managers claim speed is more important then price try asking the American people if speed is more important then price.John Thain the new C.E.O.of the New York Stock Echange is pushing thru direct plus which will allow investors to instant executions of there orders if so desired ,this will eliminate the speed argument. This new venue to trade will answer the speed critics therefore defaulting back to price.

I often hear from critics that the N.Y.S.E. should adapt a more electronic system like the one used by Nasdaq,the Nasdaq market trades less then 20% of there own market share .This market is so fragmented you can be buying a stock at one price as it is trading at various other prices. Also people need to remember the valuable service that is provided by the Specialist system within the auction process,during turbulent times the Specialist steps in and adds liquidity to the process . Large investors remember well what happens to bids on electronic markets on down turns in the market place. Others argue that the Specialist gets in the way to often,the Specialist partakes on only 17% of all trades on the N.Y.S.E..

Sir my attention is not to put down the Nasdaq market but merely to state the superiority of the N.Y.S.E. I also promised my self that I would keep this short and I have also failed at that.

Sincerely Yours
Daniel P, Kryger