

11 Wall Street
New York, NY 10005
January 18, 2005

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The Honorable William Donaldson
Securities and Exchange Commission
450 Fifth Street NW, Room 6100
Washington, DC 20549

57-10-04

Dear Chairman Donaldson:

I am writing to express my concerns about the SEC Commission's proposed Regulation NMS, which is designed to update and strengthen our national securities markets. A core part of the proposal contains a provision that would change the structure of capital markets.

The provision in question would create the equivalent of a consolidated limit order book, which was previously rejected by Congress and the SEC. Such an initiative would nationalize the US equity markets, removing incentives for markets to compete with one another.

As an employee of the NYSE, I urge you to express your support for the Regulation NMS proposal without the consolidated limit order book provision.

Thank you for your consideration,

A handwritten signature in cursive script, appearing to read "Michael Watson".

Michael Watson