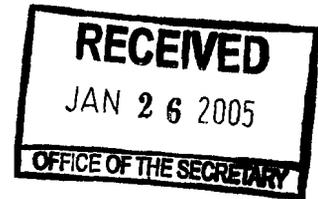


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January 20, 2005

The Honorable William H. Donaldson  
Chairman, The Securities and Exchange Commission  
450 5th St., NW  
Washington, DC 20549

S7-10-04

Dear Chairman Donaldson,

The purpose of this brief letter is to register my concern about the SEC's proposed Regulation NMS, which is designed to update and strengthen our country's securities. While I certainly am no expert in this arena, I am a "graduate" of several of the NYSE's excellent "Teach the Teacher" programs, and thereby have gained a great appreciation of our nation's free-market equity system as well as the SEC's vigilant role in overseeing it.

As I understand the issue relative to Regulation NMS, 2 alternatives regarding inter-market competition and quote competition, as well as the balance between these two, were part of the rule as it was repropounded on 12/15/04. Of these 2 alternatives, protecting the best bid and offer in each market center preserves both types of competition in a way that is of benefit to all involved. The other alternative seems to create a virtual Consolidated Limit Order Book (CLOB), a concept previously rejected (and wisely so) by both the Congress and the SEC.

In my opinion any CLOB-type legislation would limit competition and not result in the equitable and fair treatment currently given both individual and institutional investors. The NYSE is currently implementing a "hybrid" market, which seems to merge the best of both worlds of electronic and auction-market trading. This would be the best means of giving choice to American investors without the damage to our market that a CLOB-based system could bring.

I sincerely appreciate the SEC's diligent role in overseeing and protecting our markets, and encourage the Commission to pursue the alternative that promotes competition and innovation, thereby making even stronger our U.S. market system.

Very truly yours,

A handwritten signature in cursive script that reads "John C. Nicodemus".

John C. Nicodemus