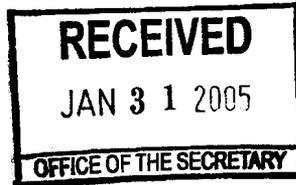
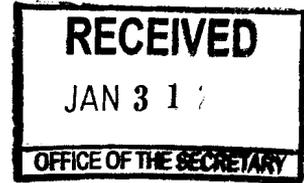


January 23, 2005

Jonathan G. Katz  
Secretary Securities and Exchange Commission  
450 Fifth Street N.W.  
Washington, DC 20549-0609



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S7-10-04

Dear Secretary Katz,

As an investor, I want to convey my concerns regarding the Securities and Exchange Commission's proposed Regulation NMS, which is suppose to strengthen our national securities markets. A core part of the proposal contains, as one of two options, a provision that would radically change the structure of the U. S. capital markets and effectively turn our internationally, competitive investor-driven markets into a government utility.

The provision in question would effectively create a Consolidated Limit Order Book (CLOB). This concept was debated and ultimately abandoned by the SEC and Congress as recently as 2000 due in part to concerns it would have on the US capital markets. I am particularly troubled that the CLOB proposal will increase volatility and the costs associated with trade execution.

The CLOB proposal virtually eliminates inter-market competition and creates a fragmented, electronic only marketplace where markets must chase displayed orders from market to market. In that market, orders would be difficult to manage. Instead those orders would move to private markets overseas. This would hurt the retail investors. One great competitive advantage of our markets is that institutional and individual investors' orders are commingled, so everyone gets equal and fair treatment. The CLOB would change all that and retail investors would pay the price.

The SEC has put forth this proposal at the precise time that competition is transforming the largest equities market in the world. Regulation should promote innovation, not stifle it; yet the CLOB proposal would undermine the innovation currently underway at The New York Stock Exchange, which is on the verge of implementing its hybrid market. That market will offer customers what they have been demanding -- the ability to trade electronically or through the auction market. The proposed CLOB would eliminate the opportunity for a negotiated trade within the system, and preclude any possibility that the hybrid market will ever become operational.

It is clear to me that the CLOB would damage our market system and harm American investors. I ask that you and the SEC Commissioners again reject the idea of a CLOB.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Veit".

Thomas E. Veit