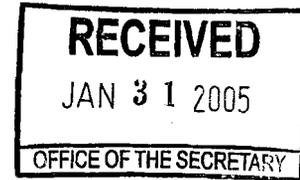


January 26, 2005

57-10-04

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Hon. William H. Donaldson
Chairman
Securities and Exchange Commission
450 5th Street, NW
Washington, DC 20549



Dear Chairman Donaldson:

I am writing to voice my concern about the SEC's proposed Regulation NMS.

Of the two alternatives proposed on December 15, 2004, the "Market BBO," is the correct way to go. Market BBO protects the best bid and best offer in each market center, preserving inter-market competition and quote competition in a way that will benefit all securities industry participants. On the other hand, the "Voluntary Depth Alternative" will create a virtual Consolidated Limit Order Book, or CLOB, an idea that has been previously considered, debated and determined to be at odds with the best interests of the investing public.

Today, U.S. investors benefit from competition between markets and from "best price" protections. As a result, spreads are among the tightest in the world and transaction costs are low. I believe that giving investors a choice of execution types—through automatic execution or the auction market—is the fairest way to meet the needs of retail and institutional investors on an equal footing. The CLOB proposal would jeopardize these benefits to public investors.

The CLOB proposal would create a splintered, electronic-only marketplace where markets must chase displayed orders from market to market. Large orders of stock would be difficult to manage and would instead be driven to private markets or overseas, hurting retail investors.

Further, the CLOB proposal would undermine the innovation currently underway at the New York Stock Exchange which is about to launch its hybrid market. The NYSE will offer what customers demand—the ability to trade electronically or through the auction market. The proposed CLOB would deny investors the opportunity to have that choice.

I greatly appreciate your consideration and applaud the Commission for its diligence in considering these important market structure issues. I trust the Commission will make the choice that will preserve the competitive preeminence of the U.S. securities markets by rejecting the notion of implementing the CLOB.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Wheeler".

Steven Wheeler
470 West 24th Street, Apt. 16G
New York, NY 10011
(212) 691-9781

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