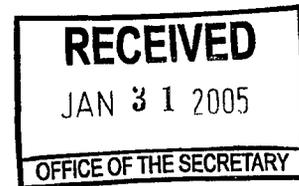


George A. Corroon, Jr.
86 Eleventh Street
Garden City, New York 11530

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Jan. 22, 2005

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

Re: File No. S7-10-04, Proposed Regulation NMS

Dear Chairman Donaldson:

The SEC has requested comment regarding the National Market System, as above referenced. As a Member of the New York Stock Exchange, and a Specialist for more than forty years, I have some insight and experience in the behavior of our capital markets. I believe that some suggested changes to market structure, if enacted, would have a profoundly negative effect on our markets.

Regarding proposed Regulation NMS, I believe that the provision which offers best price protection, the result of competition between markets for best quote, is essential in preserving investor confidence and inherent system fairness. This proposal would assure that the national best bid and offer cannot be traded through by an inferior price provided that the markets involved are considered fast markets. This proposal should have your full support.

I urge you to reject, as it has repeatedly been rejected, the concept of the creation of a computer program, mandating the full exposure of all orders in a central file, often referred to as a CLOB (consolidated limit order book)

In the event of a CLOB-like method of order handling, I can envision no result other than a severe contraction in displayed market liquidity, and an equally severe increase in volatility. Those who would benefit would be an oligarchy of market professionals, and securities firms' trading desks, who would offer liquidity on an individual basis, internalizing their own, and whatever order flow they could buy. Those whose interests would be damaged would be the individual investor, who would be decimated by the volatility, and those smaller money managers whose orders were not of sufficient size to warrant the interest of the aforementioned internalizers.

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Smaller trading and broker businesses will vanish, as the lack of opportunity, and the impossibility of making a profit become obvious. The real cost of execution will rise, as customers find themselves paying for the liquidity that has, heretofore, been characteristic of our equity markets, resulting in the contraction and diminishment of American capital markets

The New York Stock Exchange has announced a Hybrid Market proposal that will offer market participants the opportunity to trade electronically, or through the auction market. The value added by the use of brokers to execute orders, particularly in dynamic environments, as well as the significance of price discovery in achieving best price for a customer, is an important alternative to electronic execution, and the customer should have the opportunity to choose which is most useful to him, rather than have that decision imposed upon him.

I also encourage the Commission to give careful consideration to the issue of payment for order flow, which, in the opinion of many, can only be considered commercial bribery.

Thank you for the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in cursive script that reads "George A. Corroon, Jr." with a stylized flourish at the end.

George A. Corroon, Jr.