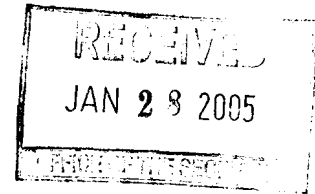


SANDRA S. PFAFF  
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738

57-10-04



January 19, 2005

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

Dear Chairman Donaldson:

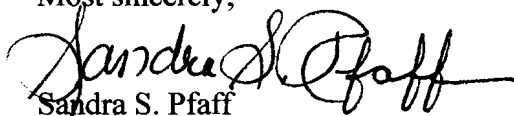
I am sending this letter pertaining to the SEC's proposed Regulation NMS, which is designed to update and strengthen our nation's securities markets.

The Regulation NMS will have many consequences, but the success/failure will depend on how to deal with the inter-market, quote competition and the balance between the two. Protecting the best bid and offer in each market center preserves both types of competition in a way that benefits all securities industry participants. The other proposed one, Consolidated Limit Order Book, or CLOB would be a disaster to the market place creating many difficulties, such as with large orders of stock. Retail investors would be hurt. There is a need for everyone to receive fair and equal treatment! CLOB would change this fairness, and retail investors would pay the price. It would decrease liquidity and increase volatility.

The New York Stock market is ready to start its hybrid market which would offer customers the ability to trade electronically or through the auction market. There is a need to negotiate trade within the system. We want the U.S. to be able to continue to be the leader in the market place, but I feel that CLOB would destroy our market system and this would mean this legislative fiat would be taking down the NYSE!

I urge you to reject CLOB!

Most sincerely,

  
Sandra S. Pfaff  
Educator and Interested Citizen