

December 5, 2004

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

Dear Jonathan Katz:

The Securities and Exchange Commission proposed Regulation NMS contains important reforms that will increase competition and benefit investors. Critical to the ultimate success of Regulation NMS is retention of the “opt-out” provision from the Trade Through Rule.

All consumers and, in this case, investors benefit from competition. Competition drives costs down and leads to new and innovative products and services. Without an informed opt out provision, Reg. NMS will freeze market development and, over the long term, could hurt investors.

Investors are driven by price, but prices that are inaccessible either because of lagging execution time within a market or insufficient liquidity at the best price point impact the overall costs associated with trading securities in today’s markets. The Trade Through rule may harm investors by restricting their ability to achieve best execution, and investors deserve the opportunity to make choices. Certainly as proxies for individual investors, our mutual fund managers, pension fund managers, insurance companies and other representatives deserve the ability to communicate trading priorities that meet their customers’ unique needs.

While repeal of the Trade Through Rule would be cleaner and simpler, the opt-out provision is a step in the right direction and will serve this purpose.

I urge the commission to give our markets freedom to grow and improve and for investors to gain the benefits of competition – keep the opt out provision in the final rule.

Sincerely,

Shirley McClain