

Financial Markets and Institutions 450-1  
Southern Connecticut State University

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SUBMITTED VIA E-MAIL: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

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

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

Dear Mr. Katz:

Uwe Delgado A.  
1410 State St.  
New Haven, CT. 06511.

I am currently senior student, at Southern Connecticut State University. My Major is Finance and Management. Please find the attached material enclosed, on the Commission's objective and Rule Proposals of Section III, Trade-Through Proposal, Section A through D. of the Regulation of National Market System of the U.S. Securities and Exchange Commission, (SEC). This is base on your request for comments about the above proposal. (Regulation NMS. RIN 3235-AJ18).

I appreciated this opportunity to talk and comment about the objectives, work, researches, and studies of the SEC on the Rule Proposal Section III, Trade-Through Proposal. I have learned that importance of the one of the major assets of the nation, which is the national market system. This is quite clear and transparent for any citizen of this great nation. I belief that for everything to work in order, and clarity. We need to have a major change in the regulation of the NMS. Therefore, the purpose of this letter is to work, enhance, and aid to build this proposal. I have included on the following pages, several points and issues about this magnificent proposal that has a strong influence in the economy and national security market.

# Security and Exchange Commission

## III. Trade-Trough Proposal

I am submitting a comment letter on the National Market System with a unique specification on The Trade-Trough Proposal. My views and observations about this proposal is that will bring transparency, effectiveness, and enhances the market structure. Therefore, I strongly agree with this new regulation that has a great magnitude in the national economy and the national security market.

Although, there are three major points in this letter that I would like to address to the Chairman of the Securities and Exchange Commission. I belief that by expressing my opinion and humble expertise, focusing in the Trade-Trough Proposal. We will achieve major goals, and work for a better and strong national market. My first point is base on:

### The Proposed Trade-Through Rule.

I am optimistic about this proposal, but in order for this proposal to work and enhances the national security market, we need to places all our personal interest aside, and it's necessary for any investor, small or big, to realizes that every execution in the exchanges markets of the nation, should be clear, transparent and efficient. Consequently one of the major issues of this proposal it's to eliminate a higher price in any market for every security already executed. This is clear about the pricing and execution of securities trading in the market.

The old procedures of securities execution are obsolete, bias and inaccurate. Therefore we need a need system that will simplify the conventional concept. By affirming the system of prices priority, through all national exchanges market, we are progressing to a higher level of effectiveness and readiness via electronic technology.

I belief that it will take some time for this proposal to be appropriately established, Also a standardize trade-through regulation, would enhance and increase the level of confidences in the security industry. This new system will impair any illegal enrichment of any investor, and financial institution. Consequently by regulating with accuracy the price, and quotes in the national market and getting the best prices for any security in the market. We are establishing a strong, secure and confident national market.

## The Market and Trade-Through Rule

In order for the trade-through rule to work and achieve the highest peak. We need to automate with the best technology, for our national market. This is a necessity and is imperative, Mr. Chairman of the SEC.

There is a clear point in the national market, and that is of automated quotes over manual quotes, this is quite clear Mr. Katz. Manual quoting it's a noble but obsolete concept; this system places us at the level of third rate countries. Consequently this technology can not wait, because is vital for the structure of the market system. Then most investors can invest and trade from the conveniences of their home, by getting the most accurate price in the market. Mr. Katz, it's we do not change, we die.

I have an issue that is very important for any educate investor, and that is the stock listed on the NASDAQ Stock Market is not currently subject to the trade-through rule, with comparison to the quality of execution trade on the NYSE. This is an interesting point, researches and scholars has address this problem before, there is a major different in the spread of both exchanges markets of 29% on the NASDAQ.

Mr. Chairman. We need to make more clear all the exemptions and regulations of the new system, we can not have a major differences in both markets, this a situation that we need to address immediately. Therefore, we will have more accuracy on the selling and buying of securities trades in the national market.

## Exceptions to the Proposed Rule

In order to provide flexibility and transparency, we need to make clear all the Exceptions to all investor, private organizations and financial institutions. For the reason having any exceptions in the rule may bring more problems than solutions.

The Opt-Out Orders is meant to protect investor; and let's not forget the NMS was established on this concept too. If we achieved this definition, and accomplished the best prices, with accuracy and executed the transaction for the investor in mind, but not for the corporation, or financial institution. Therefore, any investor can have the best quote for their security in any exchange. This is a benefit for the investor, because we are going to have more flexibility to choose where and when our securities can be trade. These definitions will places more pressure in the exchange market. Consequently the execution of the trade will be faster, accurate, and efficient for the investor.

The concept of having an automatic alternative system supports the concept of price priority. Consequently it will not allow trades to be executed at inferior price. This will benefit the investor. Mr. Chairman, This is vital for the establishment, work and improvement of any security market. The concept of not allowing wrong quotes that may indicate an increment of prices in lowest decimal amounts like pennies. That will sluggish this new innovation. Therefore, we will finally make this new system work as closer to the meaning of perfection.

Mr. Chairman. The trading system for Over-the-Counter stocks under the sponsorship of NASD, the system where prices for stocks and bonds on NYSE and the regional exchange are listed simultaneously also the trade-through rule. Are the major base concepts for the future of the National Market System.

My final words, about the trade-through rule are the U.S equity market should be modernized. All the markets around the world are continually upgrading to a more efficient, simple, and clear way to conduct business. By innovating and improving the NMS with cutting technology, we are crating more jobs and helping the economy to move from this big hold, call sluggish economy.

It is important that the SEC improve, innovate, endorse and enforce all the new regulations of this new system. I belief that fair and efficient competition will enhances and improve the core structure of security market. Therefore, the investor will be benefit with large profits, financial institutions will increase their capital market, and the nation will have a strong economy. Our national market needs the trade-through rule, in order to achieve the most profitable, clear and transparent place in the world market.

Mr. Chairman. Thanks again for the opportunity to comment, in this historical proposal



