

June 17, 2004

Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street N.W.
Washington, D.C. 20549

**Re: Proposed Rule Changes of Self-Regulatory Organizations
Release No. 34-49505 File No. S7-18-04**

Dear Mr. Katz:

As an individual interested in Securities Regulation, I respectfully submit for your review my comments in the above referenced matter. My comments focus on a single aspect of the proposed rule: the requirement to post and maintain a complete and up-to-date version of SRO rules on public websites.

I believe an extension of this requirement is in order. It has become necessary to require SROs not only to post their current rules and regulations, but also to provide access to an archive of past rules and regulations. Currently, these past rules are not readily available. They are rarely accessible even on Lexis and CCH Compliance.

Brokers and dealers are held to the standards of the day. Brokers, dealers and investors need to have access to past rules so they can know precisely what their rights and duties were at the time of the alleged violation.

Making only the current SRO rules available violates procedural due process, as brokers cannot see the text of the rules to which they are being held.

Further, the unavailability of this information hurts the investors, the very people the SROs are designed to protect. When an investor has a grievance against a particular broker, that investor relies on the SRO rules when determining the viability of a case. Without access to the rules in effect at the time of the possible infraction, the investor is left without a definitive understanding as to what was required of the broker and whether the broker was in the wrong.

For instance, if a customer opens an account in 1982 and believes that he was wronged in 2001, he would not look to a current edition of SRO rules. Instead he would look to the rules in force when the broker allegedly committed the violation. The broker accused of wrongdoing would also want to see the rules and regulations that were in force at the time. Therefore, these past rules should be made available to the public.

In this example, the investor may wish access to the rules in effect in 1982 to determine whether the pre-dispute arbitration clause complied with SRO rules. The investor may also wish access to the rules in effect in 2001, to see what standards his broker may have been held to. Likewise, the broker would like access to these same rules in order to defend against that same case.

I realize that it may not be administratively feasible to post all of the rules dating back to the inception of each SRO. However, at least from this point forward, SROs should maintain a publicly available archive of past rules with each new rule release.

In addition, I recommend that all SROs under the supervision of the SEC should have a link to their rules from a page on the SEC website. This page should also have links to all relevant Securities Acts, which are already available on the SEC website (<http://www.sec.gov/about/laws.shtml>).

Thank you for the opportunity to comment on the proposed rule and for your kind consideration in this matter.

Very truly yours,

Michael L. Kosoff