

May 30, 2003

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

Re: File No. SR-NASD-2003-73

Dear Mr. Katz:

O'Connor & Company L.L.C (O'Connor") is a registered Broker-Dealer and Futures Commission Merchant that provides clearing and order execution services on domestic equity, futures, and options markets. O'Connor is a clearing member of all major Securities Exchanges, Associations and Commodity and Futures Exchanges. O'Connor's Designated Examining Authority is the Chicago Board Options Exchange. O'Connor securities clients include registered broker-dealers, mainly market makers and specialists and other broker-dealers that execute transactions for their proprietary accounts. In addition, O'Connor clears and carries the accounts of retail customers and three broker-dealers that are members of the NASD. O'Connor does not engage in securities proprietary trading.

Please be advised that the fees stipulated in the above mentioned proposed rules would impose a significant additional expense on options market making firms that are not NASD members. We concur with the opinions already cited in the comment letters submitted to the Commission on this subject by the five SEC regulated options exchanges, PAX Clearing, Inc., TD Options, LLC and Wolverine Trading, LLC.

Applying the proposed TAF fees appears to be an inadvertent application due to the NASD membership status of options market maker clearing firms, and note that applying these fees is outside the boundaries of the stated purpose of them. We propose simply excluding NASD clearing firms from the proposed rules' definition of "Executing Broker".

O'Connor appreciates the opportunity to comment on the NASD Proposal. If you have any questions, please feel free to contact the undersigned at 312-604-8030.

Sincerely

William C. Floersch  
President & CEO