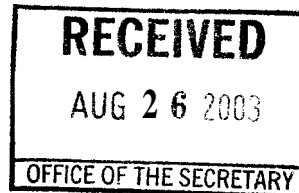


BRUT

August 25, 2003

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-0609
Attention: Jonathan G. Katz, Secretary



Re: File No. SR-NASD-2003-98

Ladies and Gentlemen:

Brut, LLC ("Brut") appreciates the opportunity to provide the Securities and Exchange Commission (the "Commission") with its comments in response to Exchange Act Release No. 48239 (the "Proposing Release"),² in which the Commission solicits industry feedback regarding a proposal of the Nasdaq Stock Market, Inc. ("Nasdaq"), an affiliate of the National Association of Securities Dealers (the "NASD") to "clarify the reporting requirements applicable to transactions conducted through electronic communications networks ("ECNs") and reported to the Automated Confirmation Transaction Service ("ACT")."³ Under the proposal, Nasdaq would clarify the various practices currently in place regarding such reporting and allow ECNs to choose their desired methodology, provided they notify Nasdaq of their chosen approach.

Brut gives its full support to this proposal, as it is an example of a flexible approach to regulation that Brut has long advocated. The combination of a clear delineation of the methods used by ECNs to report transactions through ACT, and a framework that affords choice regarding to how to utilize them, achieve the Exchange Act objectives of efficient execution and reporting of securities transactions without placing unnecessary constraints on innovative market participants.

Please do not hesitate to contact me at (917) 637-2560 regarding this letter, or how Brut can assist the Commission and the staff in evaluating these issues in the future.

Sincerely yours,

A handwritten signature in black ink, appearing to read "William O'Brien".

William O'Brien
Chief Operating Officer

¹ Brut operates The BRUT ECN System, one of the significant electronic communication networks ("ECNs") in the Nasdaq market. The company is headquartered in New York City.

² July 28, 2003. 68 Fed. Reg. 45871 (August 4, 2003).

³ *Id.*, at 39605.

Jonathan G. Katz, Secretary

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cc: The Hon. William Donaldson, Chairman
The Hon. Cynthia Glassman, Commissioner
The Hon. Paul Atkins, Commissioner
The Hon. Roel Campos, Commissioner
The Hon. Harvey Goldschmid, Commissioner
Giovanni Prezioso, General Counsel
Annette Nazareth, Director, Division of Market Regulation
Robert L.D. Colby, Deputy Director, Division of Market Regulation
Lawrence Harris, Chief Economist
Terri Evans, Assistant Director, Division of Market Regulation
Steve Williams, Assistant Director, Division of Market Regulation
Katherine A. England, Assistant Director, Division of Market Regulation
John Polise, Senior Special Counsel, Division of Market Regulation
Robert Greifeld, CEO and President, Nasdaq Stock Market, Inc.
Edward Knight, Executive Vice President and General Counsel, Nasdaq Stock Market, Inc.