

March 24, 2005

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, NW,
Washington, DC 20549-0609.

Re: File Numbers SR-NYSE-2005-12 and SR-NASD-2005-022

Dear Mr. Katz:

On behalf of the Market Technicians Association (“MTA”)¹, I wish to express support for the rule changes noted above submitted by the New York Stock Exchange (“NYSE”) and NASD (collectively, the “self-regulatory organizations” or “SROs”). The SROs have filed these proposed rule changes with the Securities and Exchange Commission (the “SEC” or the “Commission”) in response to concerns raised by the MTA with respect to the qualification examination for technical analysts.² Prior to filing these changes, SRO rules required all analysts to pass the Research Analyst Qualification Examination (“Series 86 Exam”) before April 4, 2005. In the past, NASD and the NYSE rules granted a waiver from the analytical portion of the Series Exam 86 upon verification that a person has passed Levels 1 and 2 of the Charter Financial Analyst Examination and has functioned as a research analyst continuously since having passed the Level 2 examination. The SROs have submitted, and the Commission has approved similar provisions for persons who have passed the Chartered Market Technician (“CMTSM”) Level 1 and Level 2 examinations. MTA supports these proposals.

Technical analysis and fundamental analysis differ intrinsically; requiring technical analysts to take the Series 86 Exam is asking them to demonstrate mastery of a body of knowledge that is irrelevant to their profession. We believe that the NYSE and NASD will provide a greater level of investor protection by requiring technical analysts to demonstrate competence in their chosen field, not in another field. We agree with the SROs’ view that

¹ The MTA is the national association of technical analysis professionals, with over 2,300 members. MTA was organized in 1970 and incorporated in 1973. Among other things, MTA: (i) encourages the exchange of technical information and exploration of new areas of research; (ii) educates the public and the investment community about the use, value, and limitations of technical research; (iii) test technical analysts and awards the CMT designation; and (iv) promulgates and enforces a code of ethics and professional standards.

² Rel. 34-51240, 70 FR 10451 (March 3, 2005).

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this alternative test will afford a higher level of investor protection than the SROs would achieve by requiring technical analysts to take the Series 86 Exam.³

MTA believes that its testing program warrants the recognition of the NYSE and NASD. The MTA's program is well-regarded within the industry. As the rule proposals correctly note, MTA began developing the CMT examination program in 1985 and administered its first exam in 1988. MTA works diligently with outside testing experts to review and update the examination on a regular basis.

MTA supports the proposed rule changes and the Commission's approval of them on an "effective upon filing" basis. Thank you for your consideration of MTA's views.

Sincerely yours,



Stuart J. Kaswell
Partner

c:

NYSE:

Donald van Weezel
Vice President Regulatory Affairs

Douglas Preston
Senior Special Counsel

William Jannace
Director, Rule and Interpretive Standards

Tina Freilicher
Director of Standard Testing

³ NASD's stated that "investors will be better served by proposing a qualification standard directly applicable to person preparing technical research reports, which will demonstrate their competency based on the job functions and knowledge needed to perform such functions. 70 FR at 10453. Similarly, NYSE's stated that "by requiring a qualification standard directly applicable to persons preparing technical research reports, which will demonstrate their competency based on the work functions and knowledge need to perform such functions, investors will be better protected." 70 FR at 10455.

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