

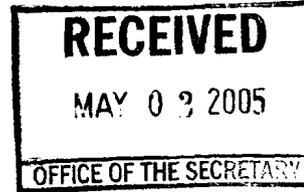
Registrar and Transfer Company

2

Thomas L. Montrone
President and
Chief Executive Officer

10 Commerce Drive, Cranford, New Jersey 07016-3572
www.rtc.com

Tel: (908) 497-2333
Fax: (908) 497-2314
Email: tmontrone@rtc.com



April 25, 2005

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

Re: File Number SR-NYSE 2004-62

Dear Mr. Katz:

Registrar and Transfer Company ("R&T") appreciates the opportunity to comment on the above-referenced proposed New York Stock Exchange Rule change. R&T is a non-bank transfer agent that currently acts as transfer agent for more than 800 publicly held companies, limited partnerships or REITs with more than 700,000 registered investors.

Rule 496 Drop Amendment

The proposed Rule change, as I understand it, proposes to eliminate the requirement for transfer agents to maintain a presence for the receipt and delivery of securities south of Chambers Street and replace it with a provision that will require transfer agents for NYSE listed issues to accept and process transfer requests received after record date as if the items had been received for transfer on record date provided:

- 1.) The transfer requests were sent via mail or courier by a registered Clearing Agency (e.g. the Depository Trust Company or "DTC");
- 2.) The transfer requests were mailed on a same day or next day delivery basis; and,
- 3.) The items were clearly marked as a Record Date transfer request.

As presented above, we believe that the proposed Rule change may create unintended adverse conditions for issuers and transfer agents. Notably, the Rule change will adversely affect record date distributions as outlined below:

- 1.) **The proposed Rule change does not require timely delivery, but only "mailing" of a transfer request.** In all current record date structures that we are aware of, the transferee has the responsibility *to deliver* the transfer request by a

Registrar and Transfer Company

File Number SR-NYSE 2004-62

April 25, 2005

Page Two

deadline, usually the record date. For example, under Rule 496, transferees are required *to deliver* to the transfer agent's facility, not *to send* the item by a courier or mail on a specific date. In all instances, the transfer request was only considered a record date item if it was *received* by a specified deadline. The proposed rule replaces this with a responsibility for the registered clearing agency to mail by a given date. This does not ensure delivery by a specified deadline. Overnight courier services are good, but not infallible. Under the proposed wording, the Clearing Agency could contend that a late delivery due to a courier delay was not reason to fail to include a transfer request in a record date consideration.

- 2.) **The proposed Rule change will leave an inadequate amount of time, in some instances, for distributions to be made available on the payable date to all parties.** The proposed rule provides the Clearing Agency with the ability to cause record date items to be delivered to transfer agents two business days after a record date (if not later, as discussed above). Section 204.16 of the NYSE Rules regarding the period between record and payable dates states that "in the interest of shareholders, it is desirable that such an interval be as short as possible." Thus, companies are appropriately encouraged to provide a short interval between record and payable dates. The proposed rule imposes an additional three business days before record date balancing and processing can commence. Transfer agents will, under the proposed rule, be required to wait this period to ensure that any potential record transfer requests are received and processed. Only after this period is cleared, will transfer agents be able to close the books of the issuer and begin the process of balancing and calculating distributions. In some instances, this will leave an insufficient period for all of the distribution processes to be completed to ensure timely payments are made. For example, many distributions today require ACH (Automated Clearing House) direct crediting of payments to investor bank accounts. ACH credit files must be transmitted to the originating bank two days in advance of the payment date. Therefore, in the best scenarios, a transfer agent would need 7 business days between record date and payable (3 days to ensure receipt of transfers, 2 days to balance past mergers/option requests, etc. and request funding, and 2 days for the ACH file transmission). However, in many instances, a much longer period is required to balance calculations due to numerous exchanges and option plan activities. In these instances, distributions may be delayed past the payable date.

Registrar and Transfer Company

File Number SR-NYSE 2004-62

April 25, 2005

Page Three

- 3.) **The proposed rule change will create a disruptive dichotomy in the processing standards for issuers based upon where the issuer is listed.** If this rule is approved as stated, one can expect that some transfer agents will honor the extended record date receipt, but only for NYSE listed issued issues, reducing their exposure to a small finite population. Confusion at the brokerage level could occur as a result of failing to anticipate different record date treatments. A broker could potentially miss a record date because of the rule by failing to deliver directly to the transfer agent in the mistaken belief that adequate delivery time existed with the DTC clearing agency exemption.

Recommendations

Providing this exemption for delayed delivery unnecessarily opens a host of other potential exposures and problems. Few items are received today at the 496 Drop windows of transfer agents and even fewer of these are record date transfer requests. Under the T+3, or even T+1 settlement requirement, **all of these items today should have been able to be sent via overnight courier directly to the transfer agent's facility.** It is unnecessarily burdensome to both issuers and transfer agents to create a special class of stockholders, registered Clearing Agencies, that are exempt from having to deliver securities by a record date declared by an issuer. However, should such an exception be made, it should require **the delivery** of record date items to the transfer agent not later than close of business **one business day** after the record date.

Summary

We strongly recommend that this rule not be adopted as drafted for the reasons stated above. We also recommend that the NYSE continue to consider the elimination of Rule 496's "drop window" requirement as this represents a disproportionate and unfair cost burden on transfer agents to support the delivery of a few transfer requests that could have been delivered directly to the agent using overnight delivery services. The NYSE should be asked to reconsider the structure of the rule change to incorporate delivery the day after record date.

We appreciate the opportunity to present these concerns and are available to discuss them if so desired.

Sincerely,