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November 10, 2003

Honorable Phil Angelides,
Treasurer, State of California
915 Capital Mall
Sacramento, CA 95814

SR-NYSE-2003-34

Honorable William H. Donaldson
Chairman, Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: New York Stock Exchange

Dear Mr. Angelides and Mr. Donaldson:

I write to comment on the slate of Directors proposed by Mr. Reed.

While these nominees may be “independent” as that term has been used in the past, the fact is that they are drawn from the same elite group that furnished the directors who slept at the switch at Enron, Tyco, Putnam and the NYSE itself. A criterion stated by Mr. Reed when he announced his nominees is that many of these individuals had experience “running a board”. That’s the problem, isn’t it – boards allowed themselves to be “run” by CEOs who were more interested in lining their pockets than in advancing the interests of their shareholders. If you were to chart the business, social and financial relationships among these nominees I suspect you would find them all related within two degrees of separation.

I urge that you insist that the proposed board be expanded by at least four slots and that these slots be filled by people who are reflective of the smaller investors who have come into the market in the last 20 years or so. These should be people concerned about food and shelter in retirement not whether they will die wealthy or wealthier. Needed in each board room is an individual or two who can ask difficult questions, challenge old assumptions and risk giving offense to their colleagues.

I don’t doubt or challenge the good faith and integrity of Mr. Reed or any of his nominees. I do urge you to use this opportunity and the unique influence that it has given you to show corporations and mutual funds that they can and should dig deeper and find directors with whom public investors can identify and who will be “independent directors” in a new and full sense of that term.

Thank you for your consideration.

Jim D. Knotter