

Ohio Retirement Systems

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November 24, 2003

SR-NYSE-2003-34

#117

Mr. William Donaldson
Chair
United States Securities and Exchange Commission
450 5th Street, N.W.
Washington, D.C. 20549



Mr. John Reed
Interim Chair
The New York Stock Exchange
20 Broad Street
New York, NY 10005

Dear Chairman Donaldson and Interim Chairman Reed:

The Ohio Retirement Systems (ORS) collectively manage \$1.5 billion in assets and serve 1.5 million Ohioans.

The Ohio Retirement Systems take our fiduciary responsibility to seek best trading execution seriously because, as long-term investors, we realize that execution has a significant impact on our costs and returns over time. We question whether the New York Stock Exchange (NYSE) is currently in a position to consistently provide the best executions.

In addition, the current structure of the NYSE no longer meets the needs of the institutional participants and investing public. While we appreciate and support your efforts to change the board structure and reform its governance practices, we believe the proposed governance reforms need to be reevaluated and that further actions are required to restore investors' confidence in the integrity and efficiency of the NYSE. The Ohio systems strongly urge you to consider implementing additional trading and corporate governance reforms at the NYSE as follows:

- We strongly support the separation of the Chair and CEO functions to enhance board independence and urge the NYSE to do the same.

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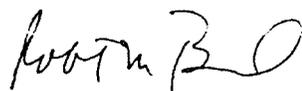
- We recommend that institutional investors be added **as** directors to the independent board. We also recommend against delegating any fiduciary or other legal responsibilities to the advisory board comprised of Wall Street executives and other securities representatives as this creates a classic conflict-of-interest situation.
- Finally, in an era of instantaneous electronic communication, the specialist system utilized by the NYSE is outdated and is in need of overhaul and reform. **At** a time when decimalization has distorted liquidity, speed of execution is increasingly linked to quality of execution. The specialist system hinders swift meeting of buyers and sellers. Specialists now **earn** their living by trading, rather than by facilitating trades. This places them in a situation of permanent conflict-of interest. We believe the Exchange needs to embrace the global standard of electronic trading and offer it as an alternative to its specialist system.

The Ohio Retirement Systems are encouraged with the initial steps you have taken toward adopting structural changes. However, we strongly urge you to conduct further study. Additional changes in the NYSE's fundamental corporate governance structure and trading system are needed in order to better serve its investing constituents.

Sincerely,



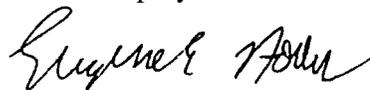
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Highway Patrol Retirement System



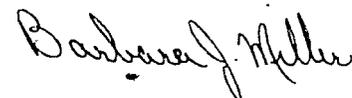
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