Individual Investors
Advisory Committee

New York Stock Exchange, Inc.
11 Wall Street
New York, NY 10005

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June 4, 2004

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

File No. S7-10-04

Dear Mr. Katz:

Investors deserve to get the best price when they -- or the institutions representing them -- invests their hard earned funds in the stock market. That the SEC's NMS recommendations may give this guarantee away to placate competitive market interests is not only of great concern, but wholly unacceptable. Further, it is entirely wrong and harmful to America's capital marketplace that some large institutions, ECN's and other markets would advance a proposition that breaks their trust and fiduciary responsibility with their own customers (the public investors) in an effort to increase their bottom line.

Research on this subject will not surprise anyone—investors want best price. For instance, in a recent (February 2004) survey, AARP found that individual investors overwhelmingly favored best price over speed of execution. I might add that individual investors don't really know or understand the specifics of the "Trade-Through" or "Best-Price" Rule, or how it protects them. They're largely oblivious to the fact that some market intermediaries entrusted with their money, and the government agency assigned to protect them, would consider the elimination of the guarantee that ensures the real investor-- the funder -- gets the benefit of the best price for their trades. A recent survey of members of the National Association of Investment Clubs (NAIC) points this out.

How unfortunate it is, too, that individual investors or their true representatives have never had an opportunity to voice their concerns in hearings conducted by Congress or the SEC. I would hope that individual investors will have a voice in this matter and will be permitted to testify at future hearings.

In that regard, let this letter serve as a proxy for America's 85 million investors who are entitled to receive the best price—and nothing less. Let this be an affirmative vote for the Best-Price Rule and a resounding "no" on the "opt-out" proposal, which only gives license to market intermediaries to disadvantage the little guy.

Moreover, letting institutions "opt out" of the best price is totally antithetical to everything that Congress and the SEC have done to improve trust in the markets. If all things are equal in market centers with respect to speed and anonymity, then there is no need to revise the Best-Price Rule, or to implement an opt-out provision. The presence of the Best-Price Rule will continue to ensure a fair and level playing field for all investors—allowing the small investor to be on equal footing with the big guys and guarding against the bifurcation of the marketplace. It will also help prevent investors from being further disadvantaged from harmful practices such as order internalization by brokerage firms.

The SEC's NMS recommendations, overall, are a step in the right direction in the evolution of our nation's stock market. Sacrificing investors' right to the best price is inconsistent with that objective and gives rise to a host of harmful unintended consequences.

The vast majority of individual investors do not realize what is being contemplated, but if they are once again ignored in favor of large institutions, it will undermine all that our nation's markets, regulators and Congress have done to rebuild their trust. In all that is being considered, the individual investor must come first. This is the only way to ensure the integrity of the marketplace and the confidence of America's investing public.

Sincerely,

Kurt Stocker
Adjunct Professor,
Medill School of Journalism, Northwestern University
Chairman,
New York Stock Exchange Individual Investor Advisory Committee

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