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March 19, 2004

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OFFICE OF THE SECRETARY

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

Dear Mr. Donaldson

I am writing this letter in response to the proposal to modify the current trade-through rule. As a listed company on the New York Stock Exchange, I believe any changes to this rule could be detrimental to Regis Corporation shareholders.

It is vital to look at the intended purpose of the rule to assess whether there is a need to make modifications. The trade-through rule was established to guarantee that all investors, regardless of size, would receive the best price when buying and selling shares of NYSE-listed companies. In addition, it has created a level of liquidity that provides for a stable and reliable equity market.

In fact, just over a year ago, Regis Corporation's Board of Directors and I made the decision to switch our listing from Nasdaq to the NYSE. The foundation of our decision was based on our concerns regarding short-term liquidity and volatility. Since switching to the NYSE, we have seen an improvement in our daily liquidity while reducing our intra-day volatility. This has served all of our shareholders very well. The proposed exception to the current rule could reduce liquidity and increase volatility in our stock, thus disenfranchising our current and potential shareholders.

As CEO of a Fortune 1000 company, we try to create long-term shareholder value through initiatives that include acquisition and organic growth. Our growth objectives rely on our ability to raise capital in efficient debt and equity markets. The efficiency of these markets relies heavily on liquidity. If liquidity is significantly reduced, our ability to raise capital will be limited. Furthermore, a reduction in liquidity could increase our cost of capital, restricting our ability to create long-term shareholder value.

In my opinion, equity market stability can not be sacrificed for speed, particularly when the difference is just a few seconds. The "opt out" proposal would allow professional traders and large institutions to internalize order flow and reduce market liquidity, thus creating a level of volatility that would only serve an elite class of investors. The impact of which could be immeasurable.

In closing, I thank you for your attention in this matter. Please consider this letter a complete endorsement of the current trade-through rule.

Kindest Regards,

Paul D. Finkelstein
President & Chief Executive Officer,
Regis Corporation (NYSE: RGS)