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SUMMARY OF TESTIMONY
APRIL 21, 2004
SECURITIES AND EXCHANGE COMMISSION
NEW YORK, NY

PAUL D. FINKELSTEIN, PRESIDENT AND CEO
REGIS CORPORATION (NYSE: RGS)

Background on Regis Corporation

I am Paul Finkelstein, President and CEO of Regis Corporation ("Regis"). I have been President and a member of the Board of Directors of Regis since 1987 and assumed the CEO responsibilities in 1996. Headquartered in Minneapolis, Minnesota, Regis was founded in 1922. We have established ourselves as the world-wide leader in the salon industry with nearly $2.0 billion in annualized revenue and an additional $1 billion in revenue generated by our franchisees. Our 10,000 salons throughout North America and Europe employ 50,000 stylists who provide affordable haircuts, styling, coloring and waxing services to more than 140 million satisfied clients each year. We are proud to be a member of the Fortune 1000 and S&P Mid-cap indices.

The market structure issues currently under debate are extremely important and deserve careful consideration. My testimony will focus on our support of the principle of best price for all investors and our decision to transfer from Nasdaq to the NYSE, where investors have been well served by best price protection.

Reasons for our move to the NYSE

Just over a year ago, Regis' Board of Directors made the decision to switch our listing from Nasdaq to the NYSE. This decision was based on our concerns, and those of our shareholders, regarding lapses in short-term liquidity and periods of excess volatility. As a listed company on Nasdaq, we experienced late day volatility and extremely wide bid/ask spreads on several occasions. Since moving to the NYSE, volatility decreased, quotation spreads narrowed, and liquidity increased substantially. I believe the NYSE's centralized auction market structure, which operates on best price principles, provides the basis for market quality improvements. I plan to share examples of how our volatility has decreased and our liquidity has increased since transferring to the NYSE.

Position on the Opt-out Provision

It is essential that the Commission recognize the importance of establishing and enforcing the trade through rule in all market centers. The principle of best price is the foundation of a fair and efficient equity market. Under no circumstance can a market operate efficiently if a certain class of investors has a fundamental advantage over another class. This is exactly why I am concerned with the opt-out provision. While I realize all investors will have the opportunity to opt-out, it is only the largest institutions that will benefit, at the expense of the ultimate investor. That is, institutions choosing to opt-out will do so for their own agenda while their customers receive inferior prices. The opt-out provision will only create a trading advantage for the largest and most sophisticated investors, while reducing liquidity and increasing volatility for all other investors. I am concerned that the opt-out provision will promote internalization of order flow and create segregated markets. In my opinion, a more viable alternative would be the recognition of a more automated market while preserving the principle of best price.

Recently, Congress, the Commission and all publicly-traded companies have spent a considerable amount of time and money attempting to restore investor confidence. The opt-out provision seems to be inconsistent with this effort.

I look forward to the opportunity to present my views before the Commission on April 21, 2004.