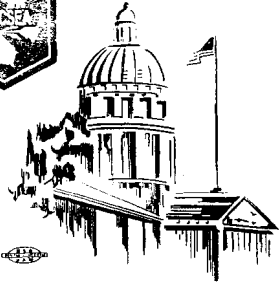


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California State Employees Association

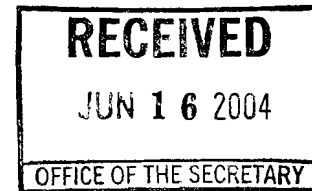
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May 19, 2004

Chairman William Donaldson
U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549



Dear Chairman Donaldson:

In 1930, a group of state workers joined together and created the California State Employees Association (CSEA). They soon fought to get legislation passed which created the \$140 billion California Public Employees Retirement System (CalPERS). As you can see, CSEA and CalPERS have a long history of working together to protect the rights and assets of public employees in California.

I am writing to join in CalPERS' support for the SEC's proposed amendment to the existing Trade-Through Rule. The proposed changes will fix an unnecessarily restrictive and outdated system. Today, the current system does not allow for important factors that modern investors or pension fund managers often want to consider when trading, such as speed and certainty of execution.

The Commission's proposed rule changes are needed to modernize the national market system while protecting the fundamental principle of price priority. Safeguarding investor freedom and protection in a competitive market environment is critical. Updating the current obsolete trade-through rule with the Commission's proposed amendments is a commendable step toward accomplishing the preservation and integrity of the capital markets.

I, therefore, respectfully ask that you vote in favor of the Regulation NMS proposal.

Thank you for your time and consideration.

Sincerely,

J. J. Jelincic
President, California State Employees Association