



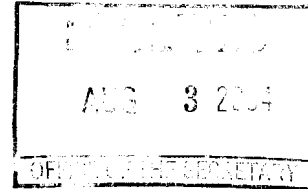
JUDY BAAR TOPINKA
TREASURER OF THE STATE OF ILLINOIS

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April 29, 2004

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



S7-10-04

Dear Chairman Donaldson:

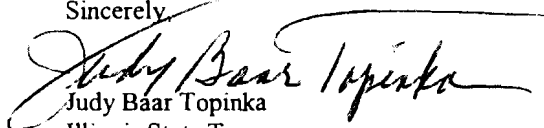
As Illinois State Treasurer, the core function of my office is the investment of nearly \$7.6 billion annually of public funds. The principles of safety and soundness are the guiding forces behind these investments while striving to receive the best possible rate of return for the taxpayers of the State of Illinois.

As the State Treasurer, I commend you and your fellow commissioners in your efforts to improve our security markets and especially your current review of the existing "trade-through" rule provision of the Intermarket Trading System (ITS).

As I am sure you are aware, the trade-through rule was developed in the 1970's to ensure that investors obtain the "best price" when buying or selling stocks. However, the "best price" has not included what modern investors of today are considering when buying or selling stock such as certainty and speed of executions. In addition, orders are sent to the "best posted" price and not necessarily the best "guaranteed" price which can result in losing the best certain price so that they can seek a better price on other markets.

In its current form, the trade-through rule is obsolete and does not serve the needs of today's investors. I sincerely hope that the 'opt-out' provision receives strong consideration so that investor protection and investor choice becomes a priority in today's trading markets.

Sincerely,


Judy Baar Topinka
Illinois State Treasurer