



November 5, 2001

Mr. Don Van Weezel
Managing Director of Regulatory Affairs
New York Stock Exchange
20 Broad Street, 23rd Floor
New York, NY 10005

Dear Mr. Van Weezel:

At the October 18th meeting of the SIA Operations Committee, a presentation was made by Richard Bommer (President of the SIA Customer Account Transfer Division) regarding potential strengthening of the NYSE 412 rule. There was strong and universal support for further improvement to the rule and related interpretations.

As you are undoubtedly aware, as are member firms, the number one source of customer complaints regards transfers of accounts between firms. While transferring of accounts has much improved since the initial implementation of Rule 412, much remains to be done. The SIA Operations Committee, comprised of senior Operations members from a broad mix of firms, strongly endorses changes to NYSE Rule 412 mandating the use of ACAT system response functionality for:

- 1) Partial transfers
- 2) Reclaims
- 3) Fail reversals

Utilizing the existing industry technology to further insure certainty and timely transfer completion, we believe will have a positive effect on the customer experience. The fact that firm efficiency will increase due to not sending hard-copy and fax documents, and the reduction in follow up phone calls, is just icing on the cake. As we see it, everybody wins.

Our support for the above changes is very strong. We also encourage the CAT Division to continue to expand the ACAT system functionality to include more accounts, products and financial entities (banks, insurance companies, trust companies, etc.). As certificated ownership continues to decline, the robustness of tools for transferring accounts between financial entities must continue to be enhanced. The NYSE 412 rule is a key part in facilitating continued improvement in the account transfer process.

Mr. Van Weezel, the SIA Operations Committee would be happy to assist you or the CAT Division's efforts as you deem appropriate. If you have any questions, please feel free to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Viviano". The signature is written in a cursive, flowing style. To the right of the signature is a vertical line.

Mike Viviano
SIA Operations Committee Chairman

cc: Mr. Steve Kasprzak, Senior Special Council for Rule Interpretations, NYSE
Mr. Richard Bommer, President, Customer Account Transfer Division SIA