

COMMENT

08-9
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REF: Trading off the centralized market.

To whom it may concern,

I would like to address the guidelines for block trading, specifically, determining the minimum size requirement.

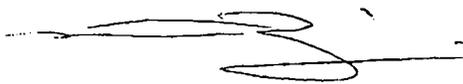
In hindsight I think we can all agree that average trade size is in no way an indication for block size. In addition, I would like to make my case that average size order is also not a good indicator.

Small speculators tend to gravitate towards more liquid markets; therefore these markets have large amounts of one through one hundred lot orders. These orders have no bearing on what size the traders of that market can handle, yet they would be included in determining the average size order. Many large orders are entered into the market place in piecemeal, so as not to adversely affect the market (a very common practice that experienced traders and brokers use instead of shopping their size to market makers as a block and getting scalped). When orders are broken up this way, they do not represent the true size of the order, once again affecting the average size.

If block trading is going to continue, the minimum size requirement should be of a magnitude that all the traders in that market COMBINED could not handle in an orderly fashion. I can think of no easy way to determine this except using the average daily volume as the minimum size requirement.

Arguments that include, needing one price, or needing a quick fill, are frivolous and should not be a good enough reason to allow prearranged trading.

Thank You,
Matthew Zwiulich



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