

Justin Pica

From: jeff2333
Sent: Thursday, April 17, 2008 3:58 PM
To: Justin Pica
Subject: Comments regarding Auction Rate Securities

I own some ARS, and I am in agreement that all of the proposed items for Reset Rate Information, and Bidding Information mentioned mentioned at <http://www.msrb.org/MSRB1/whatsnew/2008-15.asp> should be disclosed.

Further, I believe it would be useful to disclose:

- 1) whether or not a specific security has EVER failed, and the date of the most recent failure.
- 2) exactly how the penalty rate is calculated. (i.e. does it use a formula, and if so, what exactly is the formula)
- 3) please disclose somewhere exactly and precisely how sell orders are fulfilled. Are they filled at random, or filled in some other manner? If they are random, is there something in place to ensure the orders are truly filled at random? If they are not random, then exactly how are the orders filled.
- 4) Make all the disclosures available to the general public without any fee to view the information.

I don't know if the following is yours to decide but, a suggestion I have with regard to filling sell orders would be to partially fill as many sell orders as possible. For example, if there are 10 sell orders, and only 250K worth of buy orders, give all 10 sellers a partial execution of 25K. If there are 11 sell orders, pick 10 sell orders at random (assuming that the minimum block size is 25k).

If the CURRENT system is random, then it seems to me that 1 person selling 250K might get the full execution if his/her order were the 1st to be randomly selected. The rest of the orders would get no execution, even if, say 9 other people had tried to sell their position multiple times before. That isn't a very good system unless you're the 1 lucky person who got to sell their whole position (in my example). I'd like to see a system implemented like the one I just described in the previous paragraph. More people would be able to get SOME of their money back during the current auction, in the case of a failed auction were some purchases.

Another suggestion would be to give preference to those who attempted to sell their position during the previous auction but were unable to do so because the auction failed.

Thanks for considering my comments.

Jeff Yankauer

4/17/2008