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Westly Commends Expected NYSE Electronic Trading Shift

**The following is the text of a January 30th letter sent by California State Controller
Steve Westly to NYSE CEO John Thain**

Dear Mr. Thain:

Congratulations on the news that you are considering a proposal to shift more trading to an electronic system. If enacted, this would be a victory for investors and everyone eager to see the New York Stock Exchange move swiftly into the online age.

This action would help boost investor confidence. From the boards of CalPERS and CalSTRS, two of the largest pensions in the nation, I have advocated for reform so that our investors - including teachers, police officers and transportation workers - feel secure about their retirement investments.

As someone who worked to develop online auction trading during the early days of eBay, I can assure you that adopting an electronic system would ensure fairness and a clean and open market system.

Dozens of other financial officials from across the nation and I have been urging the NYSE to increase the use of technology at the exchange. Today's news shows a willingness to listen and work together for reform and I commend you for that.

I also think you will be interested to see the attached letter I sent today to SEC Chairman Donaldson regarding a phase out of the NYSE's trade-through rule.

Considering this improvement to the exchange shows the kind of leadership for which you should be applauded.

Sincerely,

Steve Westly

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