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To : Commission File No. S7-23-03

From : Alexandra Albright  
Division of Market Regulation  
U.S. Securities and Exchange Commission

Re : **Regulation SHO, Securities Exchange Act Release No. 34-48709**

Date : May 21, 2004

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On May 21, 2004, members of the Division of Market Regulation and the Office of Economic Analysis contacted the Securities Industry Association's Ad Hoc Committee on Locate and Fails to discuss matters raised in its comment letter on the above proposal. The specific matters discussed covered the proposed locate requirement and additional delivery requirements on threshold securities.

