

APPENDIX VI-H: TABLE 13.—*New York Stock Exchange: Floor trading in American Motors common stock (Oct. 9, 1958, 10:00-10:20)*

Total sales (as shown in Fitch reports)	Floor traders' transactions			
	Purchases	Sales	Time	Floor trader
Oct. 8—Closed at 22½				
9—3,000 at 22¾		200	Open	Straus.
		500	Open	Steckler.
		400	Open	Jakobson.
		1,000	10:05	Fagan & Co.
		¹ 100	10:05	Price & Davis.
		200	10:10(?)	Judson.
700 at 22¾				
100 at 22¼		100	10:09	Straus.
100 at 22¼				
100 at 22¼				
200 at 22¼				
100 at 22¼				
100 at 22¼				
100 at 22¼		100	10:15	Fagan & Co.
100 at 22¼		100	10:15	Coleman.
100 at 22¼		100	10:15	Do.
300 at 22¼		300	10:17	Do.
100 at 22¼		100	10:18	Do.
2,900 ² at 22		400	10:20	Do.

¹ Sold short in error.² Six transactions combined.APPENDIX VI-H: TABLE 14.—*New York Stock Exchange: Floor trading in American Motors common stock (Oct. 16, 1958, 12:23-12:33)*

Total sales (as shown in Fitch reports)	Floor traders' transactions			
	Purchases	Sales	Time	Floor trader
1,600 ¹ at 22¼				
100 at 22¾				
300 at 22¾	300		12:23	Erdman.
200 at 22¾	200		12:23	Do.
Do	200		12:23	Do.
100 at 22¾	100		12:20(?)	Gilheany.
600 at 22½	600		12:25	Pflugfelder.
500 at 22½	500		12:25	Jakobson.
200 at 22½	200		12:26	Jakobson.
100 at 22½	100		12:29(?)	Lenart, McHugh.
Do				
100 at 22¾ ²	100		12:27	J. E. Davis.
200 at 22½	200		12:28	Stern & Co.
100 at 22½	100		12:28	Lasker.
Do	100		12:28	Stern & Co.
Do				
1,200 ¹ at 22¾				
1,600 ¹ at 22¾	500		12:32	Price & Davis.
500 at 22¾				
100 at 22¾		100	12:33	J. E. Davis.
300 at 23				

¹ All transactions at one price have been combined.² This trade appears to be misplaced in Fitch sheet; corrected sequence shown above.

APPENDIX VI-I

NEW YORK STOCK EXCHANGE—CLARIFICATION OF RULE 110

[as announced to the membership by Exchange Circular C-7514 dated Mar. 15, 1957]

To Members, Member Firms, and Member Corporations:

The board of governors has made certain changes in the clarification of rule 375,¹ governing floor trading, effective at the opening on Monday, March 18, 1957.

¹ Shortly after this change, the rule designation was changed from 375 to 110.

The revisions were designed to meet the need for specific provisions expressing the limitations on the number of different prices at which floor traders may effect purchases of offered stock within a 15-minute period, and on floor traders' purchases of offered stock after they have purchased less than the limited amount of an offer and the remainder is bought by someone other than a floor trader.

The amendments provide—

(1) That whenever floor traders purchase "long" 500 shares or more of offered stock on "plus" or "zero plus" ticks above the price of the previous close and the remainder of the offer is taken by someone other than a floor trader, even though the amount bought by floor traders is less than 50 percent of the offer, 15 minutes must elapse before floor traders may again effect "long" purchases of offered stock on "plus" or "zero plus" ticks above the price of the previous close; and

(2) That floor traders, when purchasing "long" stock on "plus" or "zero plus" ticks above the price of the previous close, may effect purchases of offered stock at no more than two different prices within a 15-minute period.

The text of the policy as revised is as follows:

"The following limitations shall apply to purchases made by Floor Traders individually or as a group, at prices above the previous close to establish or increase a position:

"I. PURCHASES OF OFFERED STOCK

"A. *At the opening*—They may purchase on a 'plus' tick up to 7,500 shares, provided that all public purchase orders executable at the opening are filled. In the event that any such purchases by Floor Traders amount to 50% or more of the amount offered, fifteen minutes must elapse before they may purchase stock on a 'plus' or 'zero plus' tick. However, if the amount they purchase on the opening is less than 500 shares, they may, without waiting for fifteen minutes to elapse, purchase offered stock on a 'plus' or 'zero plus' tick at a different price in the limited amount prescribed in 'B' below.

"B. *After the opening*—They may purchase on 'plus' or 'zero plus' ticks:

"(1) 400 shares or less of an offer, AT ONE PRICE, regardless of the amount offered, and then, without waiting for fifteen minutes to elapse, purchase at a higher price no more than the limited amount of an offer as set forth below; or

"(2) 500 shares or more, but not more than 50% of an offer, AT ONE PRICE, when the amount offered is 500 shares or more, but in no case shall the amount so purchased exceed 7,500 shares.

However, after Floor Traders have effected purchases—

"(i) of the full amount permitted under paragraph (2), or paragraphs (1) and (2) above, or

"(ii) of less than the full amount permitted under paragraph (2) and, before fifteen minutes have elapsed, the remainder of the offer is purchased by someone other than a Floor Trader.

fifteen minutes must elapse, commencing at the time of the last such purchase, before they may again purchase offered stock on 'plus' or 'zero plus' ticks.

"Notwithstanding any of the foregoing provisions, Floor Traders, under any circumstances, must not effect 'long' purchases of offered stock above the price of the previous close at more than two different prices on 'plus' or 'zero plus' ticks within a fifteen-minute period.

"II. PURCHASES ON THE BID

"A. Notwithstanding the aforementioned limitations, Floor Traders, after purchasing offered stock as permitted above, may, without waiting for fifteen minutes to elapse, purchase stock on their own bids on 'zero plus' ticks at any price at which they effected a permissible purchase of offered stock.

"B. In any instance where purchases by Floor Traders are not listed by reason of any restrictions set forth above, they may purchase stock on their own bids on 'plus' and 'zero plus' ticks at one price. After Floor Traders have effected any such purchases on the bid, fifteen minutes must elapse before they may again purchase stock by bidding on a 'zero plus' tick at a different price or on a 'plus' tick at any price. However, they may, without waiting for fifteen minutes to elapse, purchase on a 'plus' or 'zero plus' tick, up to 500 shares or

50% of an offer, whichever is greater, but in no case shall the amount so purchased exceed 7,500 shares. Then, after effecting any such purchases of offered stock, Floor Traders may purchase stock on their own bids on a 'zero plus' tick at the same price as the purchases of the offered stock.

"For purposes of determining the amount of offered stock which may be purchased as prescribed above, the amount of the offer shall be reduced by the amount of such offered stock which is purchased by Floor Traders to cover 'short' positions.

"In the event that the amount of offered stock is increased, Floor Traders may participate in the additional amount offered to the extent of the limitation prescribed. This shall apply even though the limited amount of the original offer has been purchased by Floor Traders and fifteen minutes have not yet elapsed, but in no case may more than 7,500 shares of the offer be purchased before fifteen minutes have elapsed."

APPENDIX VI-J

QUESTIONNAIRES EX-2 AND EX-3

NEW YORK STOCK EXCHANGE MEMBERS' AND MEMBER
ORGANIZATIONS' OFF-FLOOR TRANSACTIONS FOR
THREE SPECIFIC WEEKS AND ONE SPECIFIC DAY



SPECIAL STUDY OF
SECURITIES MARKETS

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON 25, D.C.

April 4, 1962

To: All member organizations of the New York Stock Exchange and members who are not participants in member organizations.

Gentlemen:

Under the provisions of Public Law 87-196, approved by the President on September 5, 1961, the Commission is authorized and directed to make a study and investigation of the securities markets and rules and practices relating thereto. The Commission has adopted an order of investigation authorizing members of the staff of the Special Study of Securities Markets to conduct the study and investigation pursuant to Public Law 87-196.

Your cooperation is requested in completing the attached forms which are being sent to all member organizations of the New York Stock Exchange and all members of the Exchange who are not partners in member organizations. We must ask you to cooperate by submitting one copy of the completed forms as soon as possible but not later than April 28, 1962 to the Securities and Exchange Commission in Washington, D. C. Extra copies are enclosed for your own use.

Form EX-2 is to be completed for the three one-week periods ending respectively, January 27, March 24 and June 16, 1961. Form EX-3 is to be completed for the trade date of March 23, 1961.

Form EX-2 requests for each day, in each stock listed on the NYSE, the total trading initiated or originated off the floor of the Exchange, but executed on the floor for accounts in which members, member organizations and participants therein had an interest.

Form EX-3 requests all such trading initiated off the floor for the day of March 23, 1961. On this form, each transaction is to be shown separately, indicating in the appropriate column the time the report of execution was clocked in the office. (The totals for each stock are also to be included on Form EX-2.)

Additional forms may be obtained from The Floor Department of the New York Stock Exchange, or from the Securities and Exchange Commission, Washington 25, D. C.

If you have any questions concerning these forms, contact Mr. Richard Meyer in New York (REctor 2-6363) or Mr. David Silver in Washington, D.C. (202 - WO 2-4262).

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Milton H. Cohen".
Milton H. Cohen
Director

Enclosures

FORM EX-2
INSTRUCTIONS

1. PERSONS AND TRANSACTIONS COVERED BY REPORT.

Report totals of all transactions in any stock listed on the New York Stock Exchange which were executed on the floor but were initiated or originated off the floor of the Exchange (as defined by paragraph 2110.20 of the interpretations and instructions of the NYSE floor trading rules) for an account in which a member, member organization or participant therein had an interest. A participant in a member organization is a general, limited or special partner in a partnership, or a voting or non-voting shareholder of a corporation.

2. PERIOD COVERED BY REPORT.

For each business day within the three one-week periods ending respectively, January 27, March 24 and June 16, 1961, give the daily totals of shares for each stock bought, sold long and sold short. All reports are to be based on trade (not blotter) dates.

3. METHOD OF REPORTING.

On Part B of this form, report the total transactions executed on the floor of the Exchange but initiated or originated off the floor of the Exchange by a "Floor Member" for any account in which he had an interest. The term "Floor Member" as used in this report is defined as a member of the Exchange who was on the floor of the Exchange in any capacity, e.g., specialist, floor trader, commission broker or two-dollar broker, during the three one-week periods ending respectively, January 27, March 24 and June 16, 1961.

On Part A of this form, report the total transactions executed on the floor of the Exchange but initiated or originated off the floor of the Exchange by other than a floor member for any account in which a member, member organization or participant therein had an interest. Do not report in Part A any transactions reported in Part B.

The identification of transactions initiated by a floor member should be given to the best of the member's ability based on inspection of orders, other records and/or his best recollection.

4. JOINT ACCOUNTS.

If any member or member organization participated in any joint account with another member or member organization, report all transactions on the form of only one participant in the joint account; do not report the transactions on both forms. If the joint account is solely with a person or organization, not a member, member organization or participant therein, report all transactions on this form and with respect to this type of joint account report only the proportionate share in which the member, member organization or participant therein had an interest.

Itemize on a separate page names of participants in joint accounts, if any, involved in transactions reported on this form. Designate by an * those participants in the joint account whose transactions are reported on the form of another member or member organization. Indicate the percentage of participation of the member, member organization or participant therein, in each joint account.

5. GENERAL INSTRUCTIONS.

- a. Report only transactions which were executed on the floor of the Exchange but initiated or originated off the floor.
- b. Report only round-lot transactions.
- c. Subject to the requirement, that you show separate totals for each day in each stock, you may list such totals in any convenient order.
- d. Do not use ditto marks ("; do.) or other symbols; write out all duplicated information.

Par. 2110.20. INTERPRETATION AND INSTRUCTIONS OF NYSE FLOOR TRADING RULES.

"Off the Floor" or "Off-Floor" means any place other than "On the Floor". "On the Floor" or "On-Floor" means the trading floor of the Exchange and the premises immediately adjacent thereto, such as the smoking rooms, the various entrances and lobbies of the 11 Wall Street, 18 New Street, 12 Broad Street and 18 Broad Street Buildings, and also means the telephone lobby in the first basement of 11 Wall Street and the Luncheon Club on the seventh floor (with the exception of the public telephones in the Luncheon Club). An off-floor order for an account in which a member has an interest is to be treated as an on-floor order if it is executed by the member who initiated it.

Return completed forms as soon as possible but not later than April 28, 1962 to:

Securities and Exchange Commission
Washington 25, D. C.

INSTRUCTIONS

1. PERSONS AND TRANSACTIONS COVERED BY REPORT.

Report all transactions in any stock listed on the New York Stock Exchange which were executed on the floor of the Exchange but were initiated or originated off the floor of the Exchange (as defined in Par. 2110.20 of the interpretation and instructions of the NYSE floor trading rules) for an account in which a member, member organization or participant therein had an interest. A participant in a member organization is a general, limited or special partner in a partnership, or a voting or non-voting shareholder of a corporation.

Report each transaction on a separate line; do not report totals of transactions on this form.

Transactions in each stock reported on this form are also to be included in the totals reported on Form EX-2.

Transactions originated or initiated off the floor of the Exchange by a "Floor Member" should be indicated by inserting the name of the floor member in column 7. A floor member as used in this report is defined as a member of the Exchange who was on the floor of the Exchange in any capacity, e.g., specialist, floor trader, commission broker or two-dollar broker, at any time during the three one-week periods ending respectively, January 27, March 24 and June 16, 1961.

The identification of transactions initiated by a floor member should be given to the best of the member's ability based on inspection of orders, other records and/or his best recollection.

2. PERIOD COVERED BY REPORT.

Trade date - March 23, 1961.

3. JOINT ACCOUNTS.

If any member or member organization participated in any joint account with another member or member organization, report all transactions on the form of only one participant in the joint account; do not report the transactions on both forms. If the joint account is solely with a person or organization, not a member, member organization or participant therein, report all transactions on this form and with respect to this type of joint account report only the proportionate share in which the member, member organization or participant therein had an interest.

Itemize on a separate page names of participants in joint accounts, if any, involved in transactions reported on this form. Designate by an * those participants in the joint account whose transactions are reported on the form of another member or member organization. Indicate the percentage of participation of the member, member organization or participant therein in each joint account.

4. TIME OF EACH TRANSACTION.

Time of each transaction is the time the report of execution was clocked in the office.

5. GENERAL INSTRUCTIONS.

- a. Report only transactions which were executed on the floor of the Exchange but initiated or originated off the floor.
- b. Report only round-lot transactions.
- c. You may list the transactions in any convenient order.
- d. Do not use ditto marks ("; do.) or other symbols; write out all duplicated information.

Par. 2110.20. INTERPRETATION AND INSTRUCTIONS OF NYSE FLOOR TRADING RULES.

"Off the Floor" or "Off-Floor" means any place other than "On the Floor". "On the Floor" or "On-Floor" means the trading floor of the Exchange and the premises immediately adjacent thereto, such as the smoking rooms, the various entrances and lobbies of the 11 Wall Street, 18 New Street, 12 Broad Street and 18 Broad Street Buildings, and also means the telephone lobby in the first basement of 11 Wall Street and the Luncheon Club on the seventh floor (with the exception of the public telephones in the Luncheon Club). An off-floor order for an account in which a member has an interest is to be treated as an on-floor order if it is executed by the member who initiated it.

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