

JAN 29 1976

Mr. James E. Buck
Secretary
The New York Stock Exchange, Inc.
11 Wall Street
New York, New York 10005

Dear Mr. Buck:

This is in response to your letter of November 5, 1975, in which you stated that it is the position of the New York Stock Exchange, Inc. (the "NYSE") that (1) the 1975 Amendments do not change Commission authority to approve the functioning of NYSE members registered as floor traders; (2) current NYSE Rules 110, 111, and 112 satisfy the requirements of Section 11(a)(1)(H) of the Securities Exchange Act of 1934 (the "Act"); and (3) the NYSE intends to continue to approve both individuals and firms intending to perform a registered trader's business pending the adoption of any rules relating to registered traders by the Commission.

I regret the delay in responding to your letter. It raised a number of questions which the Commission has now been able to consider. Enclosed for your information is a copy of Securities Exchange Act Release No. 10255, which the Commission published yesterday. You will note that the NYSE position set forth in your letter will need to be revised in light of Section 11(a). I look forward to hearing from you at an early date concerning the NYSE's actions in that connection. If you have any questions, please let me know.

Sincerely,

Lee A. Pickard
Director

Enclosure

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