

November 5, 1934.

Mr. Joseph P. Kennedy, Chairman,
Securities and Exchange Commission,
1778 Pennsylvania Avenue,
Washington, D. C.

Dear Mr. Kennedy:

Section 14(a) of the Securities Exchange Act of 1934 provides, in effect, that it shall be unlawful to solicit proxies upon registered securities in contravention of such Rules and Regulations as the Commission may prescribe, and Section 14(b) makes it unlawful, in effect, for any Member of a National Securities Exchange to give a proxy in respect of a registered security in contravention of such Rules and Regulations as the Commission may prescribe.

Enclosed please find copy of a circular letter of November 1, 1934 which was sent out to the Members of the Exchange.

This Committee would like to send out to the Presidents of listed corporations a letter of which a draft is attached, but before doing so would like to have an expression from the Commission as to whether this step toward the solution of the proxy difficulty will conflict with any Rules which it now seems that the Commission may be likely to prescribe.

We have every reason to believe that the

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difficulties of securing an adequate number of proxies in the case of non-dividend-paying stocks are such as to have prevented, in the past, reorganizations which appeared to be in the interests of the stockholders, and the Exchange wishes to bring about such co-operations between corporations and Exchange Members as may lessen these difficulties as much as is practicable.

Yours very truly,

COMMITTEE ON STOCK LIST

Executive Assistant.

JMBH-K