

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON

November 15, 1934

Mr. J. M. B. Hoxsey
New York Stock Exchange
New York, New York

Dear Sir:

Mr. Kennedy has brought to my attention your letter of the 5th in regard to proxies.

I can see no objection to the letter you propose sending to the presidents of listed corporations on this matter. In fact in drafting rules pursuant to Section 14 (b) of the Securities Exchange Act, we have been considering the desirability of a rule which would require a broker to obtain, before sending to a proxy committee any proxy in respect to any security held by him for the account of any customer, the written consent of such customer after the broker had sent or given to such customer the information sent out with the proxy solicitations. The procedure outlined in the proposed letter of the Exchange would apparently provide a satisfactory alternative.

The plan proposed in your letter seems to be along the lines on which we have been working and I will be very much interested in hearing how it is received and whether it is carried out. We would also be glad to receive any further suggestions on this subject which you may have to make.

Very truly yours,
John J. Burns,
John J. Burns
General Counsel