

NEW YORK STOCK EXCHANGE
COMMITTEE ON STOCK LIST

June 18, 1937

Mr. Adolf A. Berle, Jr.,

70 Pine Street,

New York City.

Dear Mr. Berle:

I am enclosing to you copy of Third Draft of the letter to Mr. Neff upon the proposed Proxy Rules. As you will note from the closing part of the letter, I should like to send a copy of your memorandum to me with my letter to the Commission. Mr. Hancock has authorized me to send to Mr. Neff a copy of his memorandum dictated at the same time. If you authorize this, I would suggest the following slight changes in the copy of your memorandum given to you:

PAGE 3:

I think you will probably wish to leave out the third paragraph of your letter, because I find that there have been a very substantial number of requests for examination of this data. In the year 1936, the only full calendar year on the subject, there were 12,868 requests to examine registration or annual report data. This year, from May 24th to June 16th inclusive, the requests to examine these data have averaged 43 for each business day. An analysis of such requests since May 24th shows as follows:

Member firms.....	234
Banks.....	126

Investment Trusts.....	52
Newspapers.....	56
Other firms.....	225
Individuals.....	<u>124</u>
Total.....	817

The “other firms” are mainly accountants, brokers, lawyers and statisticians. The use made of these files by individuals is relatively small, averaging about 6 ½ requests a day, but the total is a very substantial number.

PAGE 4, middle of the page:

Strike out the matter in parenthesis, which is merely a stenographer’s note.

PAGE 4, end of first long paragraph:

Strike out the last sentence. I do not think that this adds particularly to your argument, and the connotations of the word “manipulate” are such as to render it advisable, I think, to strike it.

PAGE 4, last line:

Place period after word “easily”. Strike out the remainder of the line, which is not correct. I suggest the addition here, in place of the stricken line, of the following:

“The approach to this through proposed Rule LA5 does not appear to me quite strong enough or definite enough to accomplish this.”

PAGE 5, make last two lines read:

“By concentrating on either an accompanying annual report or such a concise statement of the actual issues involved as is already common practice.”

This change is merely to avoid, as far as possible, the consideration of Rules regarding the nature of the "concise statement".

PAGE 5:

Strike the last paragraph. I do not think it adds much to your comment and, on the other hand, any too great insistence on the information which it is necessary to send to stockholders will invite the formulation of Rules on the subject when no Rules are necessary, because the necessities of soliciting stockholders' votes require that all pertinent information should be given, and this is already common practice.

Yours very truly,

J.M.B. Hoxsey

Executive Assistant.

JMBH-K