

Potts Financial Corporation  
Miami, Florida

January 29, 1968

Securities and Exchange Commission  
Washington, D.C. 20549

RE: SEC proposed rule 10b-10

Gentlemen:

I have just read Securities Exchange Act of 1934 Release No. 8239, describing Rule 10b-10 which the Commission proposes to adopt.

This rule would be grossly discriminatory:

AGAINST broker-dealers not members of NYSE;

FAVORING NYSE member firms.

The rule would make it impossible for any investment company underwriter to direct any give-up commissions so as to favor the non-NYSE-member broker/dealer.

But it would allow full freedom to investment company underwriters to give business directly to NYSE member firms as a reward for selling the shares of the investment company.

The proposed rule will not eliminate recips. It will simply make them a near-monopoly of NYSE member firms, at the expense of many NASD members who are now deriving some benefit from them.

Although I do not oppose elimination of recips, I do strenuously oppose adoption of this proposed rule, on the grounds that (1) it will not effectively eliminate the practices that the Commission seeks to eliminate; and (2) it will be obnoxiously discriminatory against many smaller broker/dealers not members of NYSE.

Sincerely,

R. Frazier Potts

cc: National Association of Securities Dealers, Washington  
Investment Company Institute, New York