

Neuberger & Berman
New York, New York

February 26, 1968

Secretary
Securities and Exchange Commission
500 North Capitol Street
Washington, D.C. 20549

Gentlemen:

We comment on your release No. 8239 dated January 26, 1968, in accordance with your invitation to do so.

As a member firm of the New York Stock Exchange we number many large accounts among our customers. For such clients investment advice, security research and economic information are vital needs to their effective operation. Such information becomes an important part of each and every transaction they make. No one broker or small group of brokers could furnish all the information they now obtain and use advantageously. Through us they pay for such valuable services, inasmuch as the present commission rate structure of the New York Stock Exchange allows Neuberger & Berman to draw so-called "give-up" checks to the providers of the aforementioned services.

We strongly believe "give-up" by check for the foregoing purposes are entirely proper and should be continued.

We have only given a detailed opinion on number 2 of the five points which comprise the New York Stock Exchange proposal. Points 3, 4 and 5 have our unqualified endorsement. On the assumption that a reasonable discount percentage is offered and acceptable to you, point number 1 is likewise endorsed.

In closing, we must and do agree with your suggestion that the adoption of the New York Stock Exchange proposal would obviate the need for Rule 10b-10. In any event the rule, if adopted, should be restricted to open end registered investment companies.

Very truly yours,

Neuberger & Berman