

Piper, Jaffray & Hopwood  
Minneapolis, Minnesota

March 7, 1968

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

Dear Sir:

Speaking for myself and for my firm, I would like to answer your invitation to reply to your Release 8239 dated January 26. I have been out of town and then ill or I would have replied sooner.

Briefly, we would like to express our very strong disapproval of your proposed 10B-10 and our approval in concept of the proposed New York Stock Exchange package.

Essentially, our objection to 10B-10 is touched upon in your Release, namely, that it is an indirect or "back-door" approach. Additionally, with no limits on the amount of rebate, the result could be vicious, cut-throat competition with the whole concept of minimum commissions destroyed and the public ultimately suffering.

The one favorable thing we see in 10B-10, or in your proposed restriction on all give-ups, is that it treats all Exchanges the same. Unfavorable and common to both proposals is the fact that in our opinion either would most certainly lead to fragmentation of orders and thus be a backward step.

The New York Stock Exchange not only treats all Exchanges the same but it accommodates the efficient "lead broker" concept, and in the overall faces the problems involved directly.

This written answer is brief because I have great hopes of an opportunity to appear before your Commission personally along with two or three other representatives of the so-called "Round Table." This is a group of seventeen firms who have authorized a few of us to speak for them on the matter of 10B-10 and the New York Stock Exchange proposal. I refer you to a letter of March 1 from Warren Heidel of Putnam, Coffin & Burr in Hartford, Connecticut, requesting an audience. I would hope if that audience is granted to have the opportunity to

elaborate on our thinking at greater length and thus will spare you the repetition of putting it in this letter.

We do agree that times have changed and that our systems must be updated. We hope to show that any solution -- even the New York Stock Exchange proposal with the numbers filled in -- should properly continue to give the good regional firms their fair share of the commissions earned as we feel we can show that this is in the best interests of the investing public.

Respectfully submitted,

H. C. Piper, Jr.