

Retirement Income Investments
Tustin, California

March 19, 1968

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

With reference to your request for comments on the proposed S. E. C. Rule 10B-10, I would have the following comments regarding give-ups between Exchange members and other members that may be directed by various customers of the firms.

It appears to me that the result of the Rule 10B-10 would be discriminatory in favor of certain New York Stock Exchange firms. It simply requires that no give-ups be allowed and yet certain minimum commissions are required by virtue of the Exchange. Therefore, the rule simply insists that all monies for all commissions reside with those particular firms capable of performing the transactions on these various Exchanges. Doesn't it appear that the effect of the rule is simply to favor certain firms in which the commissions will reside then completely, rather than the broad spectrum of the N.A.S.D. membership which may now be able to participate to some minor extent in the commissions generated by the funds?

If it were possible that the funds would obtain better advice or better investment counsel because of this rule, that would be one thing, but I find that a dubious conclusion.

Simply speaking, I am opposed to the idea in principle and fact of limiting the ability of customers to direct give-ups of commission.

Cordially,

Bernard J. Koerselman
President