

Brush, Slocumb & Co., Inc.  
San Francisco, California

March 28, 1968

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

Attention: Mr. Orval L. DuBois, Secretary

Gentlemen:

This letter is in response to your invitation to members of the securities industry to offer comments on the SEC proposed rule 10b-10.

Brush, Slocumb & Co. Inc. is a small San Francisco-based integrated investment firm, members of the New York and Pacific Coast Stock Exchanges and associate member of the American Stock Exchange. Established in 1930, the firm has one branch office in Modesto, California. Over the years we have participated in underwriting new issues and secondary distributions and feel ourselves knowledgeable in West Coast investment situations. Our activities in the retail sales of mutual funds have been and continue to be an extremely small percentage of our sales effort, most of our representatives preferring to offer individual securities to our clients.

We have read the comments of the New York Stock Exchange and the Association of Stock Exchange Firms on the proposed 10b-10 and would like to go on record as supporting their objections most firmly. We believe that the proposed rule, as written, would have many harmful effects on the investing public. Because of our geographical location we are particularly concerned with the impact we feel the rule would bring about in securities markets outside New York.

In our opinion one of the end results of 10b-10 would be the proliferation and growth of the very large investment firms at the expense of the smaller regional ones. If the demise of the small firms affected those firms only, but improved the securities industry and the investing public, we would be sympathetic but philosophical. We believe, however, that such an occurrence would slow down or perhaps even stop the economic processes which make possible the public ownership of small corporations that may be the giant blue chips of tomorrow. The list of America's largest and most successful publicly-held companies that started in just this way is, as you know, a long and impressive one.

We believe that both the New York Stock Exchange and the Association of Stock Exchange Firms have expressed our views most ably.

Very truly yours,

BRUSH, SLOCUMB & COS INC.

Arthur N. Honig  
Vice President