

August 19, 1968

Charles B. Curtis, Esq.
Branch of Regulation and Inspections
Securities & Exchanges Commission
500 North Capitol Street
Washington D.C. 20549

Dear Mr. Curtis:

Thank you for your letter of August 16th, with enclosure.

I wish to endorse the principles concerning commissions set forth in the New York Stock Exchange's letter dated August 8th. Incidentally, this Exchange has always prohibited customer directed give ups (see Attached release).

I would like to make one suggestion. It has frequently been alleged that there is undue speculation in the lower priced stocks. Clearly, no significant speculative impact can be attributed to the execution of 100 share lots in this area. If there is such speculation, it must derive its impetus from multiple round lot orders. If that be the case, would it not be advisable to limit the new volume discount rate to stocks selling in the range above \$10.00?

It is also my understanding that one of the major reasons for urging the adoption of a volume discount is to benefit the public participants in trust, pension and other similar programs. To eliminate the volume discount on stocks selling at \$10.00 and under would in no way interfere with this objective.

Sincerely,

Edward T. McCormick
President

Preferred Rates of Commission

This is to advise you that members in good standing of the following are now eligible for Preferred Rates of Commission on the National Stock Exchange without the payment of a fee to the Exchange:

- a) National Association of Securities Dealers, Inc.
- b) A National Securities Exchange

Such individuals or organizations will be charged 60% of the Exchange's minimum public rate of commissions on their transactions on the Exchange. No "give-up" of commission is permitted, however, to a non-member of the Exchange who has not participated in the transaction.

For your information, there is enclosed herewith a list of securities presently traded on the National Stock Exchange and a copy of the rules relating to the Exchange's minimum commission rates to non-members.

Current information, including bid, offer, sales, etc., concerning our stocks is made available throughout the day by the Ultronic "Stockmaster" and Teleregister "Telequote" Systems.

We would be happy to assist in making appropriate arrangements with a member firm should you wish to avail yourself of the privilege outlined herein.

Please direct inquiries to:

Woodson Broughton
Vice President