

New York Stock Exchange  
New York, NY

June 16, 1967

Mr. Irving M. Pollack, Director  
Division of Trading & Markets  
Securities and Exchange Commission  
500 North Capitol Street  
Washington, D.C. 20549

Dear Irving:

I am again, as in the past, providing you with some advance information relative to the overall results of the 371 member organizations who participated in the 1955 Survey of the Security Commission Business.

The 1966 Income and Expense Survey indicates a net profit on security commission business for the 371 participating member organizations of 5.7%, after allowing for Federal income taxes, vs. 5.8% in 1955. This decrease in profitability on security commission business occurred despite a 25% increase in security commission income. Despite this, so-called fixed costs rose pretty much in step with volume and, in particular, losses in error and bad debts more than doubled so the result was a decrease in profit margin.

For the year 1955, 82 of the 371 participating organizations, or 22%, realized a loss in the security commission business as compared to 1965 when 87, or 23%, of 374 participating member organizations reported a loss on this business.

The 371 member organizations included in the 1955 Survey accounted for essentially all of the commission income derived from public transactions on this Exchange. The results of firms that were not in business for all of 1966 or went out of business, and of four firms, which are submitting results too late for inclusion in the survey, are not included.

In the very near future, probably the week of June 26, Bob Bishop and Tom Kane of the Exchange staff will visit some of the Commission staff in Washington to present a detailed review of the results of the survey. Since the printed booklet will not be available until the first week in July and the information contained in this letter released about that time, I would appreciate your holding in confidence the contents of this letter until then. I will, of course, send you a copy of the booklet when it is available for your personal use.

Sincerely,

G. Keith Funston  
President