

Mackall & Coe
Washington, D.C.

February 23, 1968

Mr. Orval L. DuBois, Secretary
The Securities and Exchange Commission
500 North Capitol Street
Washington, D.C. 20549

Dear Mr. DuBois:

In your release #8239, you have asked that interested persons submit their views and comments on proposed rule 10-b-10. The subject matter covered by your release is extremely complex. We, at Mackall & Coe, do not consider ourselves as experts on the subject but, we do feel compelled to comment on several areas of the study.

Our firm, organized some thirty years ago, is among the smaller New York Stock Exchange members dealing with the public. It is our present intention to remain small in order to offer personalized service to our clients, both individual and institutional. Our sales of mutual funds' shares represents a very small portion of our total business. We, however, are interested in obtaining brokerage orders, or "give-ups" from the various funds with whom we have contact.

As a part of our program, to be of service to institutional investors, we have held a number of seminars in this city. We have invited institutional investors, including managers of mutual funds, to these meetings. These seminars have provided portfolio managers, analysts, etc., with an opportunity to meet with representatives of various governmental agencies and discuss with them problems of mutual interest.

On occasion, in the past, we have been compensated in part for our efforts by "give-up" checks which certain of the funds have directed to us. We would like to emphasize that such "give-up" checks to our firm are not additional compensation for selling fund shares. We feel that we have in the past, and will continue in the future, to provide a useful service for these institutions and their shareholders.

We believe that the Securities and Exchange Commission should be concerned with the welfare of the small broker-dealer. It is our opinion that complete elimination of "give-ups" would be harmful to the small firms in our industry.

Very truly yours,

William C. Coe

cc: New York Stock Exchange