

THE FLOOR DEPARTMENT  
Memorandum

May 10, 1962

SEC Investigation

Earlier today I put in a call to Mr. Fred Siesel of the SEC Market Study Group. Subsequently, he called me back.

I told Mr. Siesel that our Research Department was sending to him, under separate cover, the information he wanted with respect to the round-lot share volume by price group; and that in tonight's mail I would send him the information regarding the largest \$2 Brokers and statistical data regarding the variations between sales.

We then discussed his request for information as to how to develop a percentage of all orders on the Floor that all specialists executed, as compared with other brokers. I told Mr. Siesel that it was just out of the question for us to get information from the specialists back four years and that it would be practically impossible to get the information he wanted. I mentioned that we had made a survey of the specialists and six out of seven that we checked did not have the information. In view of this, I said it would be necessary to do this on a current basis. Since they wanted to get different times, I suggested that we could calculate the information for them say on three successive Tuesdays.

(This would be accomplished as suggested to Mr. E. C. Gray in my note of May 9; namely, to subtract from the doubled volume the dealer transactions of specialists and all floor trading. The remainder would equal the amount that were executed on order. This amount would be equal to 100% of all executed orders. By obtaining from specialists the actual number of shares transacted by them as agents, it would be possible to develop the percentage required. At Mr. Gray's suggestion I checked Jonathan Brown and he agreed. It was his thought that we should offer to do it on three separate days rather than one long period. He felt this would be more apt to be accepted.)

Mr. Siesel said that he would give this consideration and let me know. He did ask if we would be willing to do this for them and I answered in the affirmative.

J. W. O'Reilly