

ARTHUR W. GREGORY, JR.
KENMORE ROAD
BLOOMFIELD, CONNECTICUT

RECEIVED

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U. S. SECURITIES & EXCHANGE COMMISSION

Securities & Exchange Commission
Washington 25, D. C.



Gentlemen:

As a financial analyst connected with the investment research department of a large fire and casualty insurance company I have been following closely your special study which suggests virtual elimination of floor trading by N. Y. Stock Exchange and N. Y. Curb Exchange members.

The professional traders dealing for their own accounts afford a liquidity to the stock markets, the elimination of which would definitely not be in the public interest. Anything which tends to narrow the market in stocks would be inimical to the public interest. Because of the development in the past decade of the "off board" business in listed stocks, the markets in these stocks on the exchanges have not been as broad as they once were. You people are supposed to be champions of the "public interest". What is the public interest? Is it the large institutional funds - the trust companies, the insurance companies, the pension funds, the open-end mutual funds - all of whom know their way around? Or is it the small to medium-sized individual investor who is dependent upon the liquidity of the markets which you are attempting to make less liquid?

The possibility that a floor trader may have a tidbit of knowledge about a company and act upon it, before the "public interest" is apprised of this knowledge, does not place him, in my opinion, in a position so privileged that the elimination of the advantages of this position will more than offset the erosion of liquidity and the consequent loss of additional listed business to the "off board" houses. Please disabuse yourselves of the conception that you are serving the public interest by making it more difficult for the public to have ready and active markets in which to buy and sell stocks.

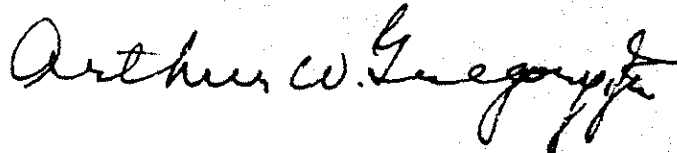
While the stock exchanges are private undertakings, and should remain so, they are public in character and any insinuation that they retain traces of "private clubs" is insidious and inaccurate.

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While I have the floor, so to speak, I might offer the gratuitous comment that specialists, as they are now operating on the floor of the exchanges, are vital to the smooth functioning of the market in all circumstances, including the most unusual and trying, and no attempt should be made by you or anyone else to interfere with their dual role of acting as dealers and brokers.

Yours very truly,

A handwritten signature in cursive script that reads "Arthur W. Gregory, Jr." The signature is written in dark ink and is positioned above the typed name.

Arthur W. Gregory, Jr., C.F.A.

AWG, Jr.:em