

January 4, 1967

Mr. Donald L. Calvin, Vice President
New York Stock Exchange
Eleven Wall Street
New York, N.Y. 10005

Dear Don:

Thank you for your letter of December 23, 1966, dealing with the right of member firms to execute orders on regional exchanges, particularly where they are non-members of such exchanges. You note in your letter that the consistent practice of executing orders on a regional exchange to which your member did not belong might raise a question of "commission rebates". We would be interested in being advised whether this question also would be raised where the member of the New York Stock Exchange is a member of a regional exchange, i.e. it regularly does business on that regional exchange to provide income to sole members of that exchange in return for NYSE listed business.

We would be most interested in knowing your rationale, whichever way you might decide this question.

Sincerely yours,

Norman S. Poser
Assistant Director