

NEW YORK CURB EXCHANGE

DEPARTMENT OF SECURITIES

86 TRINITY PLACE

NEW YORK

September 9, 1942.

Milton V. Freeman, Esq., Asst. to General Counsel
Securities and Exchange Commission
Philadelphia, Pa.

Dear Mr. Freeman:

We have examined the draft of suggested amendments to the Commission's proxy rules (Regulation X-14) which accompanied your letter of August 19, 1942. No doubt you have heard from the parties most directly affected by these rules, that is, from the issuing corporations themselves, concerning the added burden of time, labor and expense which would be involved in conforming to the more elaborate rules as proposed, so that there appears to be no need for us to comment from this angle.

I do have one suggestion which I believe would be useful, and that is to incorporate in the rules a provision whereby it would be necessary to include in the proxy material distributed to stockholders a statement of what stockholders (of record on a specified date or otherwise) are entitled to vote at the meeting to which the proxy material relates. Normally, the stockholders entitled to vote are those to whom the proxy material has been sent, that is, those stockholders who were of record on the company's books on the date on which the record of stockholders was taken for the purpose of mailing out the proxy soliciting material. However, it is my impression that in certain cases, due to the provisions of the laws of certain states or otherwise, voting is not necessarily limited to stockholders of record to whom the proxy soliciting material was initially distributed.

This question of the stockholders entitled to vote is sometimes important, particularly in cases where there is a proxy contest. Under our rules, brokers in whose names stocks are registered, but who are not the actual beneficial owners, are required under certain conditions to request voting instructions from the beneficial owners or to furnish proxies to other brokers representing beneficial owners. We receive numerous inquiries as to the record date of stockholders entitled to vote at various meetings. The proxy statements themselves rarely contain this information. The listing requirements call for the issuing corporation to furnish such information to the Exchange by separate letter, but this only applies to the issuers of fully listed securities, and in any event it would be a much simpler proposition if the information were stated right in the proxy statement itself.

SEP 10 1942

Forwarded 10
To By Date
Milton V. Freeman, Esq.

U. S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

SEP 10 1942

1st Mail

DOCKET, MAIL & FILES

Very truly yours,

M. J. Keena,
Director.

Filing
MJK:TJS