

First Manhattan Co.
New York, New York

February 23, 1968

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

Dear Mr. DuBois:

The Commission's Securities Exchange Act Release No. 8239 invited interested persons to submit their views and comments on proposed rule 10B-10.

Recent years have seen the development of a number of firms specializing in research in depth for institutions and other sophisticated investors. We are one of these firms. Give-ups constitute a significant proportion of our revenues from our institutional customers and appear to us to be an appropriate way for them to compensate us for our service to them. Doubtless these institutions can replace the give-up check with orders to be filled on the floor. This might entail some extra work for the entire brokerage community, but more important, there is the risk that we will receive less compensation for our intellectual efforts while those specializing in blocks and floor executions will receive more compensation. We do not believe this would be a healthy trend for the securities industry.

Indeed, if give-ups have produced abuses, the remedy is to attack those abuses, rather than limit research efforts.

Sincerely yours,

David Norr