

O'Melveny & Myers
Los Angeles, California

March 29, 1968

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

Re: Proposed Adoption of Rule 10b-10

Dear Mr. DuBois:

In response to Securities Exchange Act of 1934 Release No. 8239, dated January 26, 1968, the following comments are submitted in connection with the proposed adoption of Rule 10b-10.

We are not taking a position as to whether the problems discussed in the release would be best solved by the proposed Rule, by the New York Stock Exchange proposal, or by an alternative proposal. If proposed Rule 10b-10 is adopted, however, we believe that it should expressly be made applicable only to transactions occurring after the date of such adoption in view of the fact that the rule re-presents a new interpretation of Section 10 (b) of the Securities Exchange Act of 1934. In this regard reference is made to the precedent set by the adoption of Rule 155(c). The policy considerations supporting the adoption of Rule 155 (c), as set forth in Paragraph VII of Securities Act of 1933 Release No. 4248, dated July 14, 1960, are equally applicable in the case of proposed Rule 10b-10.

Very truly yours,

Lawrence J. Sheehan
for O'MELVENY & MYERS