

Received by hand: 12/17/75
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128-4



December 17, 1975
Division of Securities

December 17, 1975

Mr. Martin Moskowitz
Securities & Exchange Commission
500 North Capitol Street
Washington, D.C. 20549

James E. Bush
Secretary

Dear Mr. Moskowitz:

As requested in your telephone conversation with Mr. James F. Swartz, Jr., the Exchange hereby consents to an extension of the time periods for Commission action specified in Section 19(b)(2) of the Securities Exchange Act until January 8, 1976 with respect to the amendment to Rule 345 (File No. SR-NYSE-75-9).

We understand the reason for the requested extension is that you have not been able to collect all comments on the subject filing from the staff of the Commission. Although we believe it is important to make decisions on pending rule proposals with as much staff input as possible, as you are aware the Securities Acts Amendments of 1975 impose, as of December 1, 1975, substantial additional regulatory responsibilities on the Exchange. In this regard, Congress decided to provide 180 days from the enactment of the legislation within which to allow the Commission and the Exchange to resolve the complex issues of the responsibility of exchanges to regulate "persons associated with a member."

With a view to resolving those issues within the time frame established by Congress, in April of this year the staff of the Exchange met with the SEC staff to enlist its support for better definition in the legislation of the responsibility of exchanges to regulate different categories of persons associated with members. At that meeting, the Exchange was informed that the SEC had not formulated its views or positions on this issue and that the matter could best be resolved if the Exchange were to determine appropriate regulatory concepts in this regard and submit rule amendments with requests for relief from those areas it believed were not essential to its regulatory responsibilities.

As a result of that meeting, the Exchange established a task force whose major responsibility was to focus on this issue, and in July of this year the Exchange's views on regulation of employees were discussed in detail at a meeting with the SEC staff. The subject filing is identical in all respects to the proposal presented at that meeting.

Mr. Martin Moskowitz
Securities & Exchange Commission

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Until the issues presented by this filing are resolved, the Exchange finds difficulty in expanding its regulatory and surveillance activities over employees of a member or member organization. However, to allow sufficient time for the Commission to act on this question, the Exchange consents to the Commission's request of the extension of the time period for action with respect to SR-NYSE-75-9 until January 8, 1976.

Very truly yours,

A handwritten signature in cursive script, appearing to read "J. B. Buck". The signature is written in dark ink and is positioned below the closing text of the letter.

NARA-CP

RG 206 UP-UP Entry 1

Subj. Files 34-81

Box 24, Folder "New York Stock Exchange Volume 26"

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