

# **WOLVERINE**

## **WWW World Wide**

WOLVERINE WORLD WIDE, INC. ROCKFORD, MICHIGAN 49351 • AREA 616 • 866-1561 TELEX 22-6497

August 30, 1977

Mr. William Batten  
Chairman and Chief Executive Officer  
New York Stock Exchange, Inc.  
11 Wall Street  
New York, Ny 10005

Dear Mr. Batten:

Re: Your letter of August 15

Our company is against any further expansion of options trading, and we believe that the present level of this trading should be reduced or eliminated. Our opinion is based on the following reasons:

1. Options have no earnings and pay no dividends. They are merely a sophisticated way of shooting craps. If an investor wishes to do this, he can go to Las Vegas or invest in the commodities markets. Because of the short life of options and their essentially speculative nature, they encourage investors to seek quick profits rather than hold stocks for appreciation over a larger period. When the profits don't come, disillusion sets in.
2. They divert investors' funds from the underlying stocks themselves, and, in so doing, further harm the already depressed equities market. Ultimately, therefore, they have a harmful effect on the "new issues" market, thereby restricting companies' efforts to raise equity capital.
  - a. Smaller companies, such as Wolverine, are especially harmed since they have no options and investors have no opportunity to "hedge their bets" with options in smaller companies. Hence, they may be less inclined to invest in these companies.
3. Options require a more sophisticated knowledge than buying of securities, and this may result in more losses for those investors who are not knowledgeable in options. This again causes disappointment and disillusionment.

Overall, I believe that options are not a good thing for the average investor and should, therefore, not be broadened. Also they do not encourage the equity markets, and hence, do nothing to encourage capital formation.

Thank you for asking for my comments on the Exchange's efforts on options.

Yours very truly,

Thomas G. Gleason  
President

TDG/mjb

cc: Chairman, Securities & Exchange Commission  
Senator Robert Griffin  
Senator Donald Reigle  
Congressman Harold Sawyer  
Benjamin B. Bregman  
Nicholas F. Brady