



AZTEC LAND AND CATTLE COMPANY, LIMITED

INCORPORATED 1884

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STEPHEN M. BROPHY
PRESIDENT

December 27, 2019

Securities and Exchange Commission
Washington, D.C.
Via email: rule-comments@sec.gov

Re: File No. S7-14-19

Dear Commissioners:

This letter is in response to the request for comments set forth in Exchange Act Release No. 34-87115 proposing certain amendments to current Rule 15c2-11.

Aztec Land and Cattle Company, Limited ("Aztec") was incorporated in New York in 1884. Among Aztec's early shareholders were the Atchison Topeka and Santa Fe Railroad ("Santa Fe") and members of various families who had invested in the original Western railroads. Aztec was formed to purchase a substantial amount of the Santa Fe's checker boarded land in Arizona. Santa Fe's land resulted from grants made by the United States to the railroads to subsidize the extension of the rails across the United States. Aztec is in the land and cattle business and is the second largest landowner, in terms of acres, in the State of Arizona. Aztec's land holdings are not readily marketable and are held for long-term appreciation not sale.

Aztec presently has approximately 235 shareholders, some of whom are heirs of the original shareholders. Aztec was exempt from the original Securities Act of 1933, and has never been a publicly reporting company, even though its shares have traded privately, and sometimes over the counter, during the past 100 years.

At some point, Aztec shares began to be traded on the OTC. Aztec never applied for an OTC listing nor sought to have its shares traded on the OTC. Aztec does not want to be required to pay OTC fees for any listing.

I am informed that there currently are about six market makers who could make a market in Aztec shares and that recent pricing is \$176 bid, \$180 asked. Aztec believes that most of the "trading" in its stock is between people who are already shareholders, although Aztec does have some shareholders who have acquired shares in the belief that Aztec provides an investment opportunity.

Aztec does not publish its audited financial statements on the OTC website and has no desire to become a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act"). Aztec provides audited financial statements to its shareholders annually. It also provides shareholders with information about important corporate events, other than ordinary course transactions, such as any material purchase or sale of property. Because Aztec does not provide financial statements to the OTC Markets, the listing information on the OTC Markets pages states: "stock . . . dark and defunct." Aztec is neither dark nor defunct, and this characterization of Aztec is misleading. Moreover, the statement is made without any basis for it.

We understand that the obligation of the Securities and Exchange Commission ("SEC") is to protect investors and that it seeks to do so, in part, by requiring that there is adequate public information available about publicly traded companies.

As we understand proposed Rule 15c2-11, a broker/dealer may not publish any OTC quotation for shares of Aztec, directly or indirectly, unless certain information is publically available and the broker/dealer has documents and information reflecting that publically available information in its records. The information required is set forth in subparagraph (b) of the proposed rule. In Aztec's case, the applicable category would be paragraph (b)(5)(i) of Rule 15c2-11.

Aztec cannot prevent a broker/dealer from quoting its stock. Aztec does not have the resources or staff to provide quarterly financial information, and given the long term nature of Aztec's operations, Aztec's quarterly financial information does not convey the same information that is reported by larger, operating companies. The market for Aztec stock is also thin. Although Aztec has never sought to have its shares listed or publicly traded, the fact that bid and asked information is publicly quoted provides important information to its shareholders about the perceived value of Aztec, as reflected in the bid and asked prices, and reduces the chance of wide swings in bid and asked prices, if no quotes were publicly available for Aztec shares.

Aztec does not wish to be forced to list with the OTC, but could, and is willing to, publish on its website the annual information required by Rule 15c2-11(b)(5)(i), A through M. Posting that information on Aztec's website, alone, should be sufficient under the proposed rule for a broker/dealer to quote offered and bid amounts for Aztec stock, so long as the information is accessible to Aztec's shareholders and the public and is not protected by any password. We believe the proposed rule contemplates this result.

We strongly believe that Aztec should not be required to post its information on EDGAR. Were it required to do so, it would significantly blur the distinction between privately held companies, and publicly owned Exchange Act reporting companies.

The proposed rule indicates that if the information is available, it does not constitute a representation by the broker/dealer that the information is accurate, but does constitute a representation that the information is “current” (as that term is defined in the rule). We believe the rule should make it clear that an issuer making such information available for purposes of proposed Rule 15c2-11 is not the equivalent of “filing” that information with the SEC by a reporting public company and does not subject the issuer posting such information to the same liability incurred by publicly reporting companies for SEC filings under the federal anti-fraud rules set forth in the Exchange Act.

Aztec and its shareholders believe that the SEC’s rules should not be implemented in a way that will ultimately require companies like Aztec, which are not set up to be publically reporting companies, to become publically reporting, or be effectively compelled to list on the OTC or file reports on EDGAR. Aztec and privately owned companies like it have no interest in engaging in a *de facto* reporting process that is not required by the Exchange Act itself.

Aztec has for many decades had a history of trouble free operation for both the company and its shareholders. We would hope that the SEC in modifying Rule 15c2-11 will take this into account for companies such as Aztec that do not wish to be listed on the OTC or file information on EDGAR and never sought that status.

If the SEC determines that companies such as Aztec should make their financial information public, they should be required to do so only annually, by posting information on their website, and SEC rules should be clear that any such information does not have the status of information filed with the SEC by publicly reporting companies.

Sincerely,



Stephen M. Brophy