

DEC 28 1960

CHAIRMAN'S OFFICE
MAILED

DEC 28 1960

Signed by: _____

Mr. W. A. Benjamin
W. A. Benjamin, Inc.
Fifty West Ninth Street
New York 11, New York

Re: W. A. Benjamin, Inc.
File No. 24NY-5258

Dear Mr. Benjamin:

This is in reference to your letter of December 10, 1960 concerning the processing of a Regulation A filing filed in the New York Regional Office on behalf of W. A. Benjamin, Inc.

I am enclosing a memorandum prepared by the Division of Corporation Finance of this Commission concerning the subject matter of your inquiry. I regret any delay which the heavy workload in the New York Regional Office has caused you in the offering of your securities to the public. We are continually seeking new ways of improving the processing of filings relating to small businesses.

I appreciate your bringing to my attention the particular problems which you have experienced.

Sincerely yours,

Edward N. Gadsby
Chairman

Enclosure

cc: Senator Jacob Javits
Senator John J. Sparkman
Representative Wright Patman

RCO'Brien:dmcg
(GRIFFIN)

**MEMORANDUM PREPARED BY THE DIVISION OF CORPORATION FINANCE OF THE SECURITIES
AND EXCHANGE COMMISSION IN CONNECTION WITH THE LETTER OF DECEMBER 10, 1960
FROM W. A. BENJAMIN, PRESIDENT OF W. A. BENJAMIN, INC., BOOK PUBLISHERS**

Mr. Benjamin has raised several questions concerning the processing of his Regulation A filing (File No. 24NY-5258) by the New York Regional Office of the Commission and the regulation of the sale of securities by the several states to the public in general.

W. A. Benjamin, Inc. filed with the New York Regional Office of the Commission on September 14, 1960 a notification on Form 1-A and an offering circular relating to a proposed public offering of 25,000 shares of its 10¢ par value common stock and 12,500 common stock purchase warrants, in units of two shares of common stock and one common stock purchase warrant, at \$10 per unit, for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933 pursuant to Regulation A. The New York Regional Office advises that the filing was assigned to an attorney and financial accountant and was examined in the regular course of work.

The initial examination by these two men disclosed that the filing was so inadequately prepared that substantial amendments would be required to correct the deficiencies. The recommendation was made that consideration be given to advising the issuer that if the filing was not withdrawn, the Regional Office would be disposed to recommend to the Commission that the Regulation A exemption be suspended.

The Chief of the Branch of Small Issues of that office examined the filing and the circumstances surrounding it and concluded - since the company was a new company and the attorney was inexperienced in the securities field - that a letter of comment should be sent giving the issuer the opportunity to amend its filing in accordance with the Rules and Regulations under Regulation A. Accordingly a six page letter of comment was sent on October 18, 1960 detailing the areas in which the issuer's filing was defective.

It therefore appears that the first letter of comment was sent 34 days after the filing of the notification. Keeping in mind the caliber of the filing and the extent of the comments, this period was not unusual due to the heavy workload in the Regional Office. On September 30, 1960 the New York Regional Office had 76 cases in process or awaiting to be examined; on October 31, 1960 that office had 70 such cases; and on November 30, 1960 it had 67 such cases.

On October 25, 1960 the issuer filed its first amendment to the notification which was assigned to the same attorney and financial accountant, although the attorney was temporarily called off this matter due to a hearing in which he was required to participate. On November 23, 1960 a second letter of comment was sent out. Frequent telephone conferences were held between the Regional Office and the attorney for the issuer in an attempt to clear up the deficiencies. One of these telephone calls was to Mr. Weiss on December 1, 1960 requesting that the processing of the filing be expedited. Mr. Weiss pointed out at that time that he would do all in his power to help the issuer meet its time schedule. He impressed upon the attorney for the issuer that a large majority of the companies whose filings were being processed had similar problems; the number of personnel in the office as compared to the number of filing to be processed made delays unavoidable.

Following this telephone conversation Mr. Weiss contacted the attorney who was processing the filing and suggested that the filing be examined as soon as possible in order to meet the issuer's time schedule. The examination of the amendments was completed on December 5, 1960 and the issuer was informed that its offering could be commenced on December 6, 1960.

It is true that the period of time between the date of filing and the clearance date of this filing is far in excess of that contemplated when Regulation A was originally promulgated by the Commission. However, it was not contemplated that the number of filings would reach the proportions that they have in recent years. Furthermore, as above indicated, the staff's review was complicated by the generally unsatisfactory condition of the filing originally made.

Mr. Benjamin also raised several questions concerning the personnel in the Regional Office. The attorney, financial accountant, the Assistant Chief and the Chief of the Branch of Small Issues of the Regional Office all attempted to give the issuer and his attorney as much attention as they could in this matter. However, in situations where an appointment was not arranged before Mr. Benjamin or his attorney called at the Regional Office these people were not always available. It is true that a number of the staff members took annual leave on the Friday following Thanksgiving day. If Mr. Benjamin had arranged for an appointment on that day, these persons would have been glad to accommodate him. At the end of the year these persons would lose substantial amounts of leave to which they were entitled which made it appropriate to allow several of the professional people in the Branch of Small Issues to take leave on that day.

Mr. Benjamin further questions the wisdom of the extensive state regulation of the sale of securities in addition to federal regulations. Congress in passing the federal securities laws did not pre-empt the right of

the states to pass their own laws or to continue what other laws were in effect concerning the sale of securities. It is felt that the history of securities regulations, since the enactment of the federal laws, has borne out the wisdom of that decision.

The staff is well aware of the problems of the small investor and the time schedules within which he must operate. New methods are continually being tried to speed up processing of the filings and to meet the demands of the Commission's heavy workload. We regret any delay which was experienced by Mr. Benjamin and the issuer in the sale of their securities to the public.

RCO:Brain:dmcg
(GRIFFIN)