

SECURITIES AND EXCHANGE COMMISSION

REGIONAL OFFICE

821 SECOND AVENUE

SEATTLE, WASHINGTON

September 1, 1938

Mr. Harry S. Grande, Chairman
Organization Committee
Pacific Northwest Security Dealers Association
Hoge Building
Seattle, Washington

Dear Mr. Grande:

This will refer to your letter dated August 31, 1938, and your request for a statement of the views expressed by Mr. Mathews, one of the Commissioners of the Securities and Exchange Commission, on the question of whether he looks with favor upon the formation of regional dealers associations to qualify under the Maloney Bill. I am pleased to reply as follows:

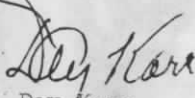
When Mr. Mathews was in Seattle last week, he pointed out that considerable work is being done by the Committee of the Investment Bankers Conference in collaboration with the Commission's Washington office with a view to determining, among many other important matters of policy, whether there should be one large national association with various regional affiliates or whether regional groups should become "Provinces" of some national association.

Mr. Mathews stated that, pending the receipt of a report from the Investment Bankers Conference Committee, he hoped no regional associations would go so far as to form any fixed and definite rules of procedure but Mr. Mathews stated that if associations were formed with a view to holding themselves in a position of flexibility so they could readily proceed along the lines of policy to be determined by the Commission after the report is received from the Committee of the Investment Bankers Conference, he, personally, and on such conditions, would approve the formation of such associations for, as I recall, Mr. Mathews agreed with the opinion expressed by a number of the dealers that it would be a time-saving endeavor and would provide the dealers in a given area with a clear understanding of the objectives of the Maloney Bill.

You may recall that Mr. Mathews mentioned particularly that his remarks were not to be interpreted as views of the Commission as a whole but were merely his personal views, given in an endeavor to help clarify the perplexing questions that arise from time to time.

Trusting that the foregoing will be of assistance to you in your efforts to familiarize dealers in the Northwest with the requirements of the Maloney Bill, and that if I can be of any further assistance you will feel perfectly free to call on me again, I am

Yours very truly,



Day Karr
Regional Administrator