

December 9, 1938

+ Rear Admiral A. S. Holmes  
Director of Naval Intelligence  
Navy Department  
Washington, D. C.

My dear Admiral Holmes:

I have your letter of December 6, 1938 enclosing a copy of an extract from a letter from the District Intelligence Officer at Honolulu dated November 23, 1938, together with the enclosures to that letter.

We appreciate very much this communication.

On the basis of the facts set forth in those enclosures and in the letter from your District Intelligence Officer, this Commission has ordered an immediate investigation for alleged violations of the Securities Act of 1933, as amended. In that connection we have ordered Mr. Roger Kent of our San Francisco Regional Office to proceed forthwith to Honolulu to make a further investigation of these facts, looking towards some appropriate action by the Commission. What that action will be has not as yet been determined.

In that connection I respectfully request that the good offices of your District Intelligence Officer at Honolulu be made immediately available to our representative, Mr. Kent, on his arrival in Honolulu in the next few days. I would appreciate it very much if such cabled instructions as you deem appropriate could be given to your District Intelligence Officer in Honolulu, so that close cooperation may be immediately obtained. Any assistance your District Intelligence Officer or his staff may render will be greatly appreciated, particularly in making available the services of some person who can read and speak Japanese.

I also wonder if some one connected with the office of the Naval Intelligence in the San Francisco area who can speak and read Japanese could be made available to Howard A. Judy, Regional Administrator of our San Francisco Office, located at 625 Market Street, San Francisco, California. Communication with our San Francisco Office today intimates that there may possibly be some similar alleged violation of the Securities Act of 1933, as amended, as respects sales of Japanese bonds in California.

Yours very truly,

Robert E. Healy  
Acting Chairman