



OFFICE OF  
THE CHAIRMAN

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

March 2, 1972

Dear Sir,

I have appointed an Advisory Committee on Enforcement Policies and Practices. The Committee's function is to work with the staff in taking a fresh look at the Commission's enforcement objectives, policies and practices and to gather facts, criticisms and suggestions on these subjects from bar associations, attorneys, accountants, underwriters, companies, exchanges, self-regulatory bodies and others having an interest in or experience with the Commission's enforcement activities.

Enclosed is a memorandum from the Committee which indicates how you may make your views known to the Committee. I hope that you will give us the benefit of any suggestions you have. I can assure you that the Committee will personally review everything submitted. Please note that your material should be submitted as soon as practicable but in any event no later than May 1, 1972, since the Committee will report to the Commission by June 1, 1972.

Your assistance will be appreciated.

Sincerely,

William J. Casey  
Chairman

Enclosure



## SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

### ADVISORY COMMITTEE ON ENFORCEMENT POLICIES AND PRACTICES

#### Memorandum To Whom It May Concern:

The Securities and Exchange Commission has appointed the undersigned as members of an Advisory Committee on Enforcement Policies and Practices. Besides conferring with the Commission and staff, the Committee is directed to "seek the comments and suggestions of the Bar and other interested persons." Since the Committee must report by June 1, 1972, it is essential that all comments and suggestions be received not later than May 1, 1972 so that they can be personally reviewed and considered by the Committee.

The Committee's function, as indicated by Chairman William J. Casey's release of January 27, 1972, is as follows:

1. To advise how the SEC's enforcement objectives and strategies may be made still more effective.
2. To examine the Commission's enforcement practices and procedures from the point of view of due process, the relationship of enforcement action to notice of legal requirements, the attribution of responsibility for violations and the protection of reputation and rights of privacy.
3. To review and evaluate the Commission's enforcement policies and practices in light of its statutory responsibilities to protect investors and insure the maintenance of fair and honest markets for transactions in securities.

Page Two

4. To make recommendations on the appropriate blend of regulation, publicity and formal enforcement action and on methods of furthering voluntary compliance.

5. To make recommendations on criteria for the selection and disposition of enforcement actions, on the adequacy of sanctions authorized by law and the suitability and effectiveness of sanctions imposed in Commission proceedings.

All persons and organizations are invited to submit their comments and suggestions to the Committee. All submissions must be in writing (in quadruplicate, if possible) so that they can be considered by all members of the Committee and handled in an orderly fashion by the Committee's Executive Secretary. The Committee will not hold hearings. Please do not complain about named cases or individuals, since the Committee is not an ombudsman to represent a person or corporation with a pending matter or a past grievance.

Specific circumstances in terms of ABC Corporation, or Mr. X and Mrs. Y, are welcomed. Suggestions, comments or criticisms of a general nature are only as valid as the underlying facts; so specific (although anonymous) sets of precise facts are sought, together with your conclusion or recommendation based thereon.

The written material should be forwarded to The Advisory Committee on Enforcement Policies and Practices, c/o Securities and Exchange Commission, Washington, D. C. 20549. It will be available for public inspection.

We welcome all comments and suggestions.

John A. Wells, Chairman  
Manuel F. Cohen  
Ralph H. Demmler

Dated: March 1, 1972