

Investment Bankers Conference Committee

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FRANK L. SCHEFFEY, *Director*

8 November 1935

To Assenting Members of the Conference Plan:

Your Committee as well as the Securities and Exchange Commission are gratified at the response of securities dealers and investment bankers to the Plan. At the present time over 1,700 dealers have assented and sent in their checks and pledges. At a meeting on October 29 your Committee declared the Plan operative and appointed the necessary sub-committees to carry forward its activities. Immediate consideration is being given to the items listed in our letter of October 12 including Over-the-Counter rules and segregation of the business of dealers and brokers. It is important to understand in regard to the question of segregation that it would be applicable to all brokers and dealers in unlisted or Over-the-Counter securities.

The Commission has appointed a member of their staff as a liaison officer to keep in continuous contact with your Committee and sub-committees. Your Committee has engaged counsel for preparing the permanent plan, to set up machinery for regional local hearings of complaints against members, and to study questions involving the possible desirability of future legislation. As the work progresses reports will be made to you and it will be of assistance to your Committee to have your views on current questions.

It was necessary to set a time limit for filing of assents in order to promptly get a basis on which to organize. For that reason we sent out a letter urging a reply by October 25. Replies were sufficient by that date, but the effectiveness of our work will be greatly enhanced by having the greatest possible number of members who by their assent agree to a preliminary hearing by your Committee on complaints against them rather than a preliminary hearing before the S. E. C. The larger our membership the more effectively we shall be able to deal with this and other important phases of our work.

We are, therefore, advising investment bankers and securities dealers who have not already assented that the opportunity to join is still open. If you have occasion to discuss this matter with any dealers who have not joined we would appreciate your advising them to this effect.

Consideration may later be given to changing the name of the organization so as to avoid confusion with other organizations and to more comprehensively indicate the scope of the membership.

A list of the members of the Conference group will be mailed to you when it has been filed with the Commission.

Thanking you for your cooperation,

Very truly yours,

FRANK L. SCHEFFEY,

Director.