

ARIZONA CORPORATION COMMISSION  
The Capitol  
Phoenix

September 26, 1949

Mr. Charles R. Burr, Assistant  
Regional Administrator  
Securities & Exchange Commission  
312 N. Spring Street  
Los Angeles 12, California

Dear Mr. Burr:

As you well know, the Blue Sky Law of Arizona is quite inadequate, and is particularly lacking in effective enforcement methods and penalties for violation of such statutes as do exist.

Rather than attempt to amend existing statutes and plug the most obvious loopholes, it is considered that a completely new act should be compiled for presentation to the Legislature. It is thought that the Legislature would be most receptive by reason of the serious discrepancies disclosed in recent activities of this department.

In compiling a new code for enactment we wish to take advantage of the experiences of all agencies and groups engaged in the enforcement of Blue Sky Laws as well as those engaged in the issuing of, and dealership in, securities that we may fully protect the public as well as the legitimate issuer and dealer.

Toward this end we would appreciate your opinion as to the specific states having the most comprehensive and effective laws. We would also appreciate a list of interested agencies and associations who have compiled "model" laws. It is thought that by studying the laws of a limited number of selected states, and "model" laws not heretofore enacted, we could assemble a fair and enforceable code suitable to the conditions existing in this State, and do so without the necessity of the tedious job of tracing the effectiveness of the various laws in everyone of the individual states.

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Please accept our thanks in advance for your cooperation.

Very truly yours,

ARIZONA CORPORATION COMMISSION

/s/ Earl F. Hastings  
Earl F. Hastings, Director  
Securities Division