

ARIZONA CORPORATION COMMISSION
THE CAPITOL
PHOENIX

November 10, 1949

Mr. Milton P. Kroll
Assistant General Counsel
Securities & Exchange Commission
Washington 25, D.C.

Dear Mr. Kroll:

Enclosed herewith is a copy of a letter addressed to Mr. Howard A. Judy. We are sending you under separate cover a copy of the draft in question.

In the event that there is a special session of the legislature in January, 1950, it is entirely possible that we may obtain the enactment of a suitable securities law. This is a rather short time in which to obtain all of the expressions and opinions that we would like to have relative to the matter.

I will appear before the Legislative Interim Committee again on the 21st of this month and present at that time a draft modified by such opinions as are available between now and that time. I would, therefore, be very appreciative of any comments you might have relative to any glaring faults or omissions in this preliminary draft at the earliest possible time.

The general tenure of the draft may indicate at first glance extreme rigid control by the state. We in Arizona, however, are faced with a preponderance of highly speculative issues, many of which are of highly questionable merit and presented by people of highly questionable ability and integrity. We must, therefore, have a stiff law for both the protection of the legitimate promoter of a speculative issue as well as the investing public.

Please do not hesitate to criticise this draft in any manner, nor subdue your criticism if it be unfavorable.

Mr. Milton P. Kroll
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Thanking you in advance for your assistance in this matter, I remain

Very truly yours,

ARIZONA CORPORATION COMMISSION

Earl F. Hastings, Director
Securities Division

EFH:jmp

Enclosure

CC: Mr. Judy
Mr. Charles Burr