

April 21, 1938

MEMORANDUM

To : Mr. Ernest Angell, New York Regional Office  
Mr. William Green, Atlanta Regional Office  
Mr. W. McNeil Kennedy, Chicago Regional Office  
Mr. O. H. Allred, Fort Worth Regional Office  
Mr. James J. Caffrey, Boston Regional Office  
Mr. Foster Cline, Denver Regional Office  
Mr. Day Karr, Seattle Regional Office  
Mr. Howard A. Judy, San Francisco Regional Office

From : Chairman William O. Douglas

There have recently come to our attention several examples of fraud and malpractice in connection with dealing in state and municipal securities. Though our powers to regulate transactions in public securities are limited, we are anxious to obtain all possible information in connection with abuses in this field to the end that we may determine what remedies are indicated. It is therefore requested that you bring to the attention of the Trading and Exchange Division all complaints which have been filed with, or examples of undesirable practices which have been discovered by your office or which may be encountered in the future. It is further requested that you direct your staff to give special attention to transactions in municipal securities.

