

October 6, 1938

Mr. W. M. Malone, Washington Field Office

Trading and Exchange Division--Over-the-Counter Section

Cases of Insolvency

144-10

In connection with certain studies which are being made looking toward further rules and regulations under various provisions of the Act, this Section is frequently requested to furnish information with respect to cases of insolvency of brokers and dealers. We have not heretofore attempted to tabulate and classify cases in which insolvency has been discovered, but in view of the rather pressing need in another section of the Division for the information, we are now attempting to prepare a list of such cases, limiting ourselves to the period from January 1, 1936 to date. Any list which we could prepare, however, would be incomplete for two reasons, first, because we have not heretofore made an index of such cases, and second, because the records of this Section would reflect insolvencies only as to brokers and dealers registered under Section 15 of the Act. We are, therefore, asking the Regional Offices to assist us in this compilation and the lists which we receive from each of the Regional Offices will then be correlated with the list which we prepare here.

Will you kindly furnish us with the names of the brokers and dealers in your region where insolvency has been one of the factors either in the closing of the business or in reorganization. We appreciate, of course, that your list may also be incomplete unless you have made a tabulation of these cases as they have occurred. However, we believe that the combined list from all regions may be of some value to the group which is now engaged in a study for which this information is desired.

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For Ganson Purcell, Director

Olga M. Steig
Chief, Over-the-Counter Section

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