

Branch *****

November 16, 1962

Honorable Roy A. Taylor
House of Representatives
Washington, D. C.

Dear Congressman Taylor:

This acknowledges your letter of November 8, 1962 in which you have inquired as to the status of a complaint made to this office by Mr. David C. Schultz of 89 Caledonia Road, Asheville, North Carolina. In your letter you state that Mr. Schultz has advised you that he has had no response to a letter which he sent to this office some six weeks earlier.

A review of our index file of incoming correspondence discloses that the last letter received from Mr. Schultz was dated August 23, 1962 and was received on August 27, 1962. This letter from Mr. Schultz contained certain information with respect to purchases he had made of the stock of Bzura Chemical Company, Inc. from J. N. Russell & Co., Inc., a registered broker and dealer of Cleveland, Ohio. Mr. Schultz's letter did not appear to call for a reply, having been written in answer to my letter to Mr. Schultz of August 15, 1962 in which Mr. Schultz had been requested for furnish certain information and in which Mr. Schultz had been advised of the limitation upon the Commission's jurisdiction with respect to the civil aspects of controversies between brokers and their customers.

The rules and policy of the Commission preclude a disclosure to Mr. Schultz of the progress of any enforcement investigation by the Commission or any revelation to him of the fact of such investigation in the absence of an appropriate order by the Commission making such matter public.

For your information I am enclosing a photocopy of my letter to Mr. Schultz of August 15, 1962. You may also be interested to note that Bzura Chemical Company, Inc. has filed a petition in the United States District Court at Trenton, New Jersey for an arrangement under Chapter XI of the National Bankruptcy Act and that the Commission has taken a position opposing the Chapter XI proceedings. I am enclosing a copy of Corporate Reorganization Release No. 187 relating to the proceedings.

Honorable Roy A. Taylor

Page 2

November 16, 1962

I note, however, the statement made to you by Mr. Schultz suggests the possibility that his reference is to a subsequent letter, which has not been received by this office. I will, of course, undertake to reply to it upon the receipt of a copy from Mr. Schultz.

Very truly yours,

For Thomas B. Hart
Regional Administrator

John W. Vogel
Attorney in Charge

Enclosures

JWVogel:pch

Cc Chairman William L. Cary
Thomas B. Hart
Thomas W. Rae