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June 3, 1963

Manual F. Cohen, Esq.
Commissioner
Securities and Exchange Commission
425 Second Street, N. W.
Washington 25, D. C.

Dear Manny:

Thank you very much for the privilege of reading the latest drafts of the proposed legislation. I believe these drafts are constructive and should find very little opposition. I have a few comments:

I understand from Marc White that the introductory material which will accompany the legislation will advert to the fact that with respect to material contracts and other matters, the confidential treatment section (Section 24) of the 1934 Act would be applicable. It might seem of psychological value, however, to include the language of paragraph 30 of Schedule A of the Securities Act directly into your language concerning material contracts in the amendment to Section 12(b) of the Exchange Act in addition to the standards used in Section 24 of the Exchange Act.

In your proposed Section 12(g)(2)(E) there is an exemption for foreign issuers except where the Commission finds a substantial public market for the equity securities of such issuer "or of a class of issuers which includes such issuer.***" I do not understand the meaning and intent of the phrase I have quoted. Does it mean, for example, that if the Commission finds that there is a substantial market in the United States in foreign chemical securities, that it may impose the statute upon a foreign chemical issuer which has little or no securities in the United States? I think the meaning of this passage should be clarified.

*Submitted
6/4/63
Commissioner
Moses
Trenchard
Waller & Co.
Kramer
Waltby
Metcalf*

*Recd
JUN 4 1963
SMBJ*

Manual F. Cohen, Esq.

-2-

June 3, 1963

The revision of the Commission's powers in disciplinary proceedings and the standards governing fault is an immense improvement over the existing statute, particularly for its precise delineation of the grounds for disciplinary action which rest upon wrongdoing on the part of the person affected and seem to remove any possibility of guilt by imputation. I think the legislation should be passed and I am sure the industry will support your proposed Frear-Fulbright legislation in its present form.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Heller", with a stylized flourish at the end.

Harry Heller