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INFORMATION MEMORANDUM

November 17, 1965

To: The Commission



From: Office of the General Counsel

Re: Securities and Exchange Commission v. Texas Gulf Sulphur Co.

During a telephone conversation yesterday with counsel for defendants in the above action, counsel stated that his clients were quite concerned over the numerous speeches being made by Commission officials concerning this action. Specifically, he pointed to the danger in such speeches of referring to facts not alleged in the complaint and of stating facts in such a manner as to lead the listener to believe that the facts are true when they are actually in issue and to be determined by the court. We assured counsel that the Commission is equally concerned with such dangers and has always followed a policy in such cases of making it quite clear that facts being discussed are merely alleged in a complaint and have not yet been determined by the court. We further assured counsel that this policy had been followed in all speeches on the Texas Gulf case of which we were aware, asking him whether he had heard of any actual examples where the policy had not been followed. He said that he could not point to any specific instance, but hoped that the policy would be followed in view of his client's concern.

DF
MJ