

MANPOWER CONTROLS AND UTILIZATION GROUP

Summary Minutes

Date: October 3, 1968

Present: Meyer Eisenberg
William E. Becker
Ernest L. Dessecker
Harry Pollack

Division of Corporate Regulation
Solomon Freedman
Allan S. Mostoff
Sydney H. Mendelsohn
David M. Butowsky

MCUG discussed with the representatives of the Division of Corporate Regulation the recommendation for the realignment of the regions for investment company work. Under the proposal, the geographic areas in the New York, Boston and Chicago Regions would remain unchanged. San Francisco also would cover the Seattle Region; Denver also would cover the Fort Worth Region and Washington also would cover the Atlanta Region. In addition, all field investment company personnel would report directly to the Division of Corporate Regulation. The principal objectives of the recommendation are to (a) provide for a field staff well trained in investment company work, and (b) assure that such field staff is responsive to headquarters program direction.

In the three super regions described above, the Division has estimated that a total of thirteen positions would be required for investment company inspections and investigations. MCUG pointed out that in fiscal 1968 only three man years were devoted to this function and that it would not be feasible to allocate ten additional positions to implement the recommendation. With respect to lines of authority, MCUG expressed the view that it would be inconsistent with our overall organization policy to take the responsibility for the Investment Company Act program away from the regional offices.

After considerable discussion of the advantages and disadvantages of the proposal, Mr. Eisenberg suggested that the most feasible way to obtain the objectives at the present time would be to (a) identify field personnel whose primary duties are in the investment company area and to see to it that they participate in the training program to be conducted by Mr. Mendelsohn in November, and (b) establish a system of quarterly inspection quotas and quarterly progress reports in which the regional offices would

*NOTE
Inspected
Required*

have to justify any failure to meet such quotas. If the explanations are not satisfactory to the Director of the Division of Corporate Regulation, the Chairman would be asked to issue appropriate directives for corrective action.

Messrs. Butowsky and Becker will draft a policy guideline which will be submitted to the Chairman for consideration and adoption.