

November 17, 1969

FOR: PETER FLANIGAN
FROM: JONATHAN ROSE
SUBJECT: SEC Exemption

Bureau of the Budget is clamoring for clearance of the SEC-sponsored legislation which would raise the S-1 exemption for small issues from \$300,000 to \$500,000. You will recall you asked me to check this out with Dick Smith because of your belief that the small issues required greater protection for the investor. Commerce, SBA, and the SEC support this increase in the exemption. Dick Smith states that he would not when it came to a vote within the Commission for the same reasons that you have your doubts about it. However, he did not want to make a major issue of it. Shall we give the SEC, SBA, and Commerce reports a "no objection" clearance or shall we block their reports to the Hill and seek to change their mind?