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Roy W. Mouer, Securities Commissioner
State Securities Board
P. O. Box 13167, Capitol Station
Austin, Texas 78711

Dear Mr. Mouer:

During the week of January 22-26, 1973 members of the Commission's staff will present a training program in Los Angeles for broker-dealer examiners and inspectors. The program will contain subject areas which are of special interest to individuals who perform inspections or examinations of securities broker-dealers. These include but are not limited to such subjects as:

examination, maintenance and preservation of books and records (Rules 17a-3 and 17a-4);

extension and maintenance of credit in securities transactions (Regulation T);

background and review of Rule 15c3-3, customer protection, custody of funds and securities;

capital requirements of SEC and proposed uniform net capital rule for broker-dealers (Rule 15c3-1);

overview of Securities Act of 1933 (registration problems, control and restricted securities, intrastate offerings, hot issues, parking, etc.);

fraud, misrepresentations, market manipulation, insider trading and conflicts of interest;

churning and switching, discretionary accounts; shells and spin-offs and Rule 15c2-11; and

how to detect violations of the registration and anti-fraud provisions of the 1933 Act and the anti-fraud provisions of the 1934 Act.

This five day program is being offered mainly for Commission staff examiners. However, a number of enrollments will be open to examiners of other securities regulatory agencies as means of increasing the Commission's cooperative relationship with other regulatory bodies. Through this cooperation, we hope to improve the entire regulatory process. There will be no charge for attendance at these sessions.

Your examiners are invited to attend this training program. It will be appreciated if you will contact Rudolph Rheinschild, Assistant Administrator, Los Angeles Regional Office, Room 1043, U.S. Court House, 312 N. Spring Street, Los Angeles, California 90012 or Alex Brown of this Office as soon as possible concerning how many of your staff members will attend this training program. It will be held at the Biltmore Hotel, 515 S. Olive Street, Los Angeles, California. The rate for single rooms is \$16.00 and for double \$20.00.

Sincerely,

G. Bradford Cook
Director


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