

December 22, 1938

Memorandum To: Chester Lane

From: The Chairman

Would we have the power to define or interpret "public offering" so as to create a prima facie case of public offering where an issuer makes a so called private placement with one insurance company, on the theory that the ownership of an insurance company is publicly held and therefore by indirection an offering is made to the public?

This is an investment banker's suggestion; not mine.