


MEMORANDUM

April 11, 1957

To: All Regional Administrators

From: A. K. Scheidenhelm, Executive Director 

Re: Regional Office Interpretative Reports

1. The practice of periodically submitting copies of all interpretative opinions for review by the operating divisions concerned is hereby discontinued.
2. Each Regional Office should continue to submit to the operating division involved two copies of each doubtful, controversial or novel interpretative opinion for review and comment. It will be the responsibility of the operating division to consider such novel interpretative opinions with the Office of the General Counsel. Copies of reports and comments thereon will be circulated to all Regional Offices and Office of the General Counsel by the reviewing division when advisable.
3. One copy of such opinion is for the internal use of the operating division concerned. The second copy, after review and together with any divisional comments, is to be sent to the Records and Service Officer.
4. As directed by the Commission on March 27, 1957, in cases of proposed offerings of securities by or on behalf of persons who acquired such securities upon the basis of investment representations or who may be in a control relationship to the issuer, the inquiries should be referred to the Division of Corporation Finance of the Commission in Washington with a memorandum or proposed reply discussing the facts and stating the disposition recommended. The Division of Corporation Finance will submit to the Commission those cases which appear to involve close questions as to the availability of the exemption.

5. As heretofore, the Regional Offices are not authorized to render interpretative opinions regarding questions arising under either the Public Utility Holding Company Act of 1935 or the Investment Company Act of 1940. Any requests for interpretations under those Acts should be referred to the Division of Corporate Regulation.
6. This memorandum does not apply to Commission activities regarding Chapter X of the Bankruptcy Act.
7. Each Regional Office should continue to submit to the Office of the Chief Accountant for reply all requests for interpretations of novel or difficult accounting and auditing questions.

This procedural revision should make it possible to review interpretative reports on a current basis and will limit review only to situations in which it is necessary.