

MEMORANDUM TO MR. G. KEITH FUNSTON

July 24, 1962

Dear Keith:

As you know, Mr. Benjamin Einhorn appeared before Messrs. Silver and Strom of the S.E.C. Special Study Group yesterday. Excluding a break of about forty-five minutes for lunch, he was with them from 9:45 a.m. to 3:15 p.m.

Messrs. Chapman, Rosenberry and I interviewed Mr. Einhorn yesterday afternoon after his return. He said they were very thorough and searching in their questions; that they covered practically all the areas with respect to specialists that anyone could think of; and that they spent the most time on the following:

1. His personal history as a specialist.
2. His function as a specialist with questions concerning his dealings.
3. Allocation of new stocks.
4. Stopping stock.
5. Method of handling large orders with questions concerning "not held" orders.
6. Investment accounts of specialists.
7. Specialists' associations with officers of listed companies and the Exchange's policy in this respect.
8. Profit and loss items with particular emphasis on his expenses.

Mr. Einhorn designated items 4, 5 and 6 above as the ones to which the questioners devoted the most time.

*Bill O'Leary*  
Bill O'Leary