



President and Manager
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(Copy to:
 Maxwell F. Cohen, dir.
 "BROKER-DEALER-OFFERED" INVESTMENTS SEC.

Yorvina
 (R 2707)

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CHAIRMAN'S OFFICE
RECEIVED

MAR 11 1966

SEC. & EXCH. COMM.

March 12, 1966

To The Honorable Congress of
 The United States
 Washington, D. C.

The Honorable Congress :

The S. E. C. has made my business one of which I am very proud!
 And as always, this Commission is on the beam when it opposes
 exempting Bank-operated Investment Funds! That is without having
 to be controlled by the SEC.....

But I go one further and say "Banks should stay out of the business
 all together. The Congress has already made this distinctly unlawful
 for banks to be in the Securities Business!"

Yet, I see with my own eyes clerks in the National Banks taking the
 orders for M. L. F. & S every day and no one seems to think it is a
 violation.....BUT IT IS!.... Suppose I would get other
 bank clerks to take orders for me.... The NASD would
 not sanction this.... how come the congress allows this
 all over the USA? Under what enabling act do they operate....?

Perhaps all Broker-Dealers should start up their own private BANKS
 and ask NOT to be under the Federal Reserve Board in as far as the bank
 is concerned..... BIGNESS does not make them RIGHT! Nor does the
 bigness of Myrell Lynch etc. make it right for them to be offering their
 securities thru BANKS with untrained clerks taking the orders!

I hope that the CONGRESS will take some action that will stop this and
 other securities business presently operating in banks... except as the
 employees are Qualified.... Banks could get this job done if they were

required to call a broker-Dealer and if they would use The many Mutual Funds already in existence.... which I dare to say are better managed by the full - time SPECIALISTS. Most of the bankers that I know will admit that they do not know anything about securities... and this goes with out saying their trust departments in most towns! The public will be better served if the banker were required to call in a Broker-Dealer to advise them concerning funds... and serve them by helping them to select a fund that meets their objectives.

Then too there is one thing else... Contractual Plans should be OUT-LAWED in every state not just nine... and the affect on these type of Funds by the SEC should be heeded by The CONGRESS.... I read with certain pleasure in 1968 how the SEC opposed Frontal Load Funds since I have always thought they are unfair to investors!

While I am at it I want to also say that controlled sales forces should be also out-lawed.... these poor saps go out with one size shoe and try to fit it on everybody.....

A license to sell securities should be a license to all securities that are offered by whomever the issuer might be! And NO ONE SHOULD BE ALLOWED TO OFFER any security if he hasn't passed NASD qualification Examinations... whether it be for Principal or Reg. Rep. I And I include the local issues as well as the nationally offered issues. How many times have I seen my clients coaxed to sell a sound Mutual Fund to get honswiggled into some speculative local issue that flopped... I sure the crooks were put into the pen but my friends and former investor is still holding the "BAG" I cant Congress give the SEC authority by making NASD affiliation a pre-requisite to sales by anyone?

Respectfully,

J. E. Hammers/kv

