

September 28, 1935

Edward B. Raub, Jr., Esq.
Chairman, Financial Section
American Life Convention
Lafayette, Indiana

Dear Ed:

I regret that the unusual pressure of work of the last two weeks has prevented me from replying sooner to your letter of September 11, 1935.

The problem of disseminating to investors, both large and small, accurate quotations on securities which are dealt in exclusively over-the-counter, is one to which we are giving careful consideration. The problem is complicated by the magnitude of the over-the-counter market, both geographically and in number of issues in which transactions take place, as well as by the difficulty in obtaining accurate data.

The Commission has already taken the first step in the regulation of over-the-counter markets by promulgating rules, a copy of which I enclose, which require the registration of brokers and dealers who transact business within the provisions of Section 15 of the Securities Exchange Act of 1934 and which regulate certain fundamental aspects of the business of trading in unlisted securities.

We are hopeful that in the not too distant future, we shall be able to provide additional safeguards for investors in the form of rules dealing with specific problems such as the one to which you refer.

I appreciate your offer of cooperation and shall not hesitate to call upon your organization if I think it can be of assistance to us.

Yours very truly,

James M. Landis
Chairman

Enclosure
SDavis/as