To: The Chief Justice
Mr. Justice Black
Mr. Justice Reed
Mr. Justice Douglas
Mr. Justice Jackson
Mr. Justice Burton
Mr. Justice Clark
Mr. Justice Minton

From: Frankfurter, J.

SUPREME COURT OF THE UNITED STATES

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Securities and Exchange Commission, Petitioner, *v.* Drexel and Company.	On Writ of Certiorari to the United States Court of Appeals for the Second Circuit.

[February —, 1955.]

Mr. Justice Frankfurter, whom Mr. Justice Burton joins, dissenting.

Fully aware of the complicated interrelations of holding-company systems, Congress did not enact a scheme for severance of all intercorporate relations among public utility interests. Instead, specific provisions were devised against specific abuses and the Securities and Exchange Commission was given specific authority to effectuate the defined functions of these different provisions. Enforcement of the Act entailed authorization by the Commission of reorganization to secure simplification of a holding-company system and regulation of transactions involving acquisitions and dispositions. Duly mindful of the abuses of excessive fees in the conduct of inter-company affairs, Congress effectively equipped the Commission with power to regulate fees in the various proceedings which required approval by the Commission. But Congress particularized. It did not vest this fee-fixing authority of the Commission in a comprehensive provision. It dealt with the problem distributively. It was explicit in relating the power to fix fees to the particular proceeding.

The matter before us relates to the fixing of fees in a proceeding under § 11 of Holding Company Act. That was a proceeding for the reorganization of the Electric, a subsidiary of Bond and Share. That section gave the

Commission full power to fix fees to be paid by Electric as a condition to approval for its plan for reorganization. To be sure, Electric's plan involved the parent, Bond and Share, and the confirmation of Electric's plan required approval by the Commission of "acquisition" by Bond and Share of new securities. That approval under § 10 subjected the fees which Bond and Share could pay Drexel to the scrutiny and approval of the Commission. The consummation of Electric's plan likewise involved a "sale" by Bond and Share under § 12. Again, that section made Bond and Share's payment of fees to Drexel subject to the Commission's approval. The Commission gave the required approval to the "acquisition" and "sale" under §§ 10 and 12, respectively, without passing on the fee payable by Bond and Share or reserving the question of the propriety of such fees. The reservation regarding fees in the proceedings of Electric was the reservation of the fees in connection with Electric's plan under § 11, and cannot be made to supply the failure to fix or to reserve the matter of fees in the proceedings under §§ 10 and 12 in relation to which they were incurred.

The Holding Company Act of 1935 is a reticulated statute, not a hodge-podge. To observe its explicit provisions is to respect the purpose of Congress and the care with which it was formulated.

I would affirm the Court of Appeals.