

CHAIRMAN'S OFFICE
MAILED

MAR 22 1961

Honorable Robert F. Kennedy
Attorney General
Washington 25, D. C.

Signed by: _____

Dear Mr. Kennedy:

On February 28, 1961 you sent to me a copy of a letter dated February 28, 1961 from David Unterberg, Esq. with reference to certain newspaper articles that appeared in the New York World-Telegram and Sun purporting to be the personal recollections of Paul Windels, Jr., formerly Regional Administrator of the New York office of this Commission. Mr. Unterberg suggested that these articles might be inter alia a violation of the regulations of this Commission. He also stated that certain information in the articles was definitely false.

With regard to the latter allegation, we wrote to Mr. Unterberg and requested specific references supporting his allegation of falsity. In his reply, a copy of which is attached, he refers to one allegedly false statement. He gives no basis for the charge of falsity. Moreover, since his original letter stated he never represented any of the individuals involved it is difficult to understand the basis for this assertion. In any event, the fact that Younger was a principal in Lincoln Securities Corp. has been established by prior investigation by this Commission, by the New York Attorney General, and indeed, has been admitted by Stanley Ira Younger himself, who is presently serving a prison sentence resulting from his convictions on indictments for other securities frauds promoted by him.

We have examined the articles in question carefully. The Commission, of course, would not acquiesce in the publication of such articles by a present member of its staff. Although an employee who has left the Commission is still subject to our rules concerning the non-disclosure of confidential information, an examination of these articles does not disclose any violation of those rules. While not expressing any opinion as to the literary merit or propriety of the articles, we do not find anything of substance that is not already in the public domain.

Honorable Robert F. Kennedy

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Since the other allegations of Mr. Unterberg concern matters outside the purview of this Commission, we refrain from commenting upon them.

Thank you for bringing this matter to our attention. If there is any further information you wish, please let me know.

Sincerely yours,

Edward N. Gadsby
Chairman

Enclosure

EEnglander/kb

C O P Y

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March 8, 1961

Mitchell S. Rieger, Esq.
Associate General Counsel
Securities and Exchange Commission
Washington 25, D. C.

Dear Mr. Rieger:

Answering your letter of March 7, 1961, wherein you request information with respect to the falsity of certain material contained in a series of articles appearing in the New York World Telegram & Sun, based on the personal recollection of Paul Windels, I call your attention to the article which appeared on Wednesday, February 22, 1961. I now quote:

"In his next enterprise, Younger had to go behind the scenes. He formed Lincoln Securities Corp. at 42 Broadway, acting as a secret principal * * "

The facts dispute the truth of this statement and are readily available.

Very truly yours,

s/ David Unterberg

David Unterberg

DU:bm