

144-13

Office Memorandum • SECURITIES AND EXCHANGE COMMISSION

DATE: AUG 24 1973

TO : John I. Mayer, Administrator
Chicago Regional Office

FROM : Lee A. Pickard, Director
Division of Market Regulation

SUBJECT: Broker-Dealer Examinations by the Chicago Regional Office
During Fiscal 1973.

Your memorandum dated July 19, 1973 indicates that the Chicago Regional Office has exceeded the prescribed quota for broker-dealer examinations for the fiscal year ending June 30, 1973. Needless to say, we are pleased with the performance of the Chicago Regional Office in meeting these important goals. Inasmuch as the Investment Adviser Program is now handled by Sid Mendelsohn in the Division of Investment Management Regulation, we are forwarding a copy of your memorandum to him.

I understand that Nelson Kibler has been in touch with Marsh Hopkins of your office with respect to the problems that arose during the past year with respect to Oversight Examinations of PBW Exchange members and that arrangements have been made so that you will have access to PBW examination reports for your review in the forthcoming year.

Many thanks for the report.

cc: Alan Blanchard

Office Memorandum • SECURITIES AND EXCHANGE COMMISSION

DATE: July 10, 1973

TO : John I. Mayer,
Regional Administrator

FROM : John M. Hopkins *JMH*
Supervisory Examiner

SUBJECT: Broker-Dealer and Investment Adviser Examinations
performed during fiscal year 1973.

In a memorandum dated June 16, 1972 from Alexander J. Brown, Jr., Director, Broker-Dealer and Investment Adviser Examinations, this office was given certain quotas with respect to the number and type of broker-dealer and investment adviser examinations to be conducted during fiscal year ending June 30, 1973. Subsequently in another memorandum dated November 17, 1972 from G. Bradford Cook, then Director, Division of Market Regulation, the number of such examinations was revised, and the importance of meeting the revised quotas was emphasized. I am pleased to inform you that this office has exceeded the number of examinations of all types, as set forth in the Cook memorandum.

Following is a comparative analysis reflecting the numbers and types of examinations to be conducted by this office during fiscal year 1973, according to the Cook memo, and the number and types that were conducted by this office, during that same fiscal period.

<u>Type of Examination</u>	<u>Prescribed Quota</u>	<u>Examinations Completed.</u>
Broker-Dealer (Cause)	72	98
Broker-Dealer (Oversight)	54	55
Broker-Dealer (Seco)	44	46
Broker-Dealer (Routine)	-0-	6
Investment Adviser	34	40

It will be noted from the above analysis that during fiscal 1973, this office completed 55 oversight examinations, 36 of which were N.A.S.D. members and 14 were members of the Midwest Stock Exchange. We also made examinations of 5 members of the Philadelphia, Baltimore, Washington Stock Exchange and requested that Exchange's reports of examination be sent to this office for oversight purposes. The Exchange declined to submit said reports, but stated that they would be available for examination at the Exchange. This information was related to Alex Brown with the suggestion that the review of the Philadelphia, Baltimore, Washington reports of examination be conducted by the Washington office.