



SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

JUL 16 1974

Office of

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Senator John Sparkman

Honorable John J. Sparkman  
Chairman  
Committee on Banking, Housing  
and Urban Affairs  
United States Senate  
Washington, D.C. 20510

Dear Chairman Sparkman:

Pursuant to Section 9(c) of the Federal Advisory Committee Act, Public Law 92-463, 92nd Cong., Second Session, 86 Stat. 770, I am transmitting herewith a copy of the Amended Charter for the SEC Broker-Dealer Model Compliance Program Advisory Committee. The Amended Charter extends the term of the Advisory Committee until December 31, 1974.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ray Garrett, Jr.".

Ray Garrett, Jr.  
Chairman

Enclosure

SECURITIES AND EXCHANGE COMMISSION

AMENDED CHARTER  
OF THE

BROKER-DEALER MODEL COMPLIANCE PROGRAM ADVISORY COMMITTEE  
(Pursuant to Section 9 of the Federal Advisory Committee Act)

Chairman William J. Casey, with the concurrence of the members of the Securities and Exchange Commission, on October 25, 1972, ordered the establishment of an advisory committee to assist the Commission in developing a model compliance program for the broker-dealer industry. It had been determined that the formation and use of that advisory committee was in the public interest in connection with the performance of duties imposed on the Commission by the Securities Exchange Act of 1934 in regulating broker-dealers. The establishment of this advisory committee was evidenced by a minute order entered by the Commission on October 25, 1972, and announced in Securities Exchange Act Release No. 9835 on that date. The minute order of October 25, 1972 has been supplemented by minute order dated January 24, 1973. Pursuant to that supplemental order, the Chairman, with the concurrence of the members of the Commission, directed that the Charter be filed as provided in Section 9 of the Federal Advisory Committee Act, Public Law 463, 92d Cong., 2d Sess., 86 Stat. 770. The Committee's Charter provided that the operations of the Committee were to terminate on January 1, 1974. Subsequently, the Commission determined, pursuant to the terms of the original charter, that it would be appropriate in connection with duties imposed on the agency by law to extend the existence of the Advisory Committee until June 30, 1974 and subsequently to December 31, 1974. These actions were undertaken to permit the Committee to complete its report which it was anticipated would require an additional twelve months over its original term.

The following information is provided as prescribed by Section 9(c) (A) through (J) of the Federal Advisory Committee Act:

(A) The Advisory Committee's official designation is the "Broker-Dealer Model Compliance Program Advisory Committee."

(B) The objectives and scope of the activities of this Advisory Committee are to advise the Commission in the development of a model compliance program to serve as an industry guide for the broker-dealer community. Assisted by this Committee's recommendations, the Commission proposes to publish a guide to broker-dealer compliance under the federal securities laws in order to advise broker-dealers of the standards to which they should adhere if investor confidence in the fairness of the market place is to be warranted and sustained. The Committee's recommendations are not intended to lead to the expansion of Commission rules governing broker-dealers but, instead, to suggest how to inform broker-dealers as to the existing requirements and how they may comply with them. Accordingly, the Committee is to submit to the Commission recommendations on a model compliance program for broker-dealers' regulatory responsibilities and obligations to customers as well as supervision of its personnel.

(C) The Advisory Committee shall submit its recommendations to the Commission within six calendar months from the date of this Amended Charter.

(D) The Advisory Committee shall submit its recommendations to the Securities and Exchange Commission.

(E) The Securities and Exchange Commission shall provide any necessary support services.

(F) The duties of the Committee are solely advisory and shall extend only to submitting recommendations to the Securities and Exchange Commission

on the model compliance program for broker-dealers described in subparagraph (B) above. Determinations of action to be taken and policy to be expressed with respect to the recommendations of the Advisory Committee shall be made solely by the Commission.

(G) The estimated annual operating costs in dollars and man-years for the Advisory Committee are as follows:

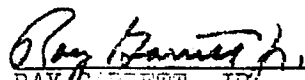
Travel and miscellaneous expenses for Commission  
personnel --- \$1,500

Man-Years --- One-half man-year for Commission personnel

(H) The Advisory Committee shall meet at such intervals as are necessary to carry out its functions. It is estimated that this shall not require meetings more frequently than at weekly intervals, or a total of not more than approximately 25 meetings.

(I) Pursuant to Section 14(a)(1) of the Federal Advisory Committee Act, the Advisory Committee shall terminate on December 31, 1974, unless prior to such time the Advisory Committee is renewed or the Chairman, with the concurrence of the members of the Commission, directs by amendment to this Charter that the Advisory Committee terminate at an earlier date.

(J) This Charter has been filed with the Chairman of the Securities and Exchange Commission on June 19, 1974.

  
RAY GARRETT, JR.  
Chairman, Securities and  
Exchange Commission