

UNITED STATES SENATE  
Committee on  
The District of Columbia

January 9, 1962

Hon. William L. Cary, Chairman  
Securities and Exchange Commission  
Washington 25, D. C.

Dear Chairman Cary:

Recent disclosures of fraudulent operations of Savings and Loan Associations in Maryland raise the question as to whether Federal laws are being violated and whether Federal regulation is desirable or necessary. I am presently conducting a study along these lines and would appreciate having your cooperation. Your answers to the following questions will be of great assistance to me in evaluating the need for Federal legislation in this field.

- (1) Have you found instances where Savings and Loan Associations have used their exempt status under the Securities Act to engage in questionable activities?
- (2) Under existing law, does the S.E.C. have power to proceed against Savings and Loan Associations which conduct fraudulent activities?
- (3) Do you believe that the exemption provided in the Securities Act should be repealed or qualified in any way?

I would appreciate a reply to these questions at your earliest convenience.

With all good wishes, I am

Sincerely yours,

/s/ J. Glenn Beall