



**THE ATTORNEY GENERAL  
OF TEXAS**

**AUSTIN 11, TEXAS**

GERALD C. MANN  
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ATTORNEY GENERAL

Honorable M. O. Flowers  
Secretary of State  
Austin, Texas

Dear Sir:

Attention: Mr. Wallace Scott  
Securities Commissioner

Opinion No. O-2787

Re: Whether members of the Securities Division of the office of Secretary of State who attend conference called by you to be held at Dallas, Texas on October 8 to 11 will be entitled to reimbursement from the State for their expenses, there being in Dallas at the time a convention of the National Association of Securities Commissioners.

Your opinion request of September 27, 1940, sets out the facts concisely and we therefore quote the same in full:

"The Securities Division of the Office of the Secretary of State has made a practice of holding periodic conferences at the Office of the Secretary of State which are attended by all investigators employed by the Securities Division. These conferences are devoted to a study and explanation of the Securities Act and of the Real Estate Dealers' License Act and discussion of the many problems confronting such investigators. An informal program is planned in advance which usually includes discussion of the general policy of the department by the Secretary of State, the Assistant Secretary of State and the Securities Commissioner and specific cases are discussed both from the standpoint of settling the particular cases and of furnishing examples for the solution of other cases. These conferences usually result in the discovery of some new method of handling the business of the department in a more efficient manner, both in the work of the investigators and in the handling of the work of the department as it affects the investigators in general.

"On October 8th, 9th, 10th and 11th of this year the National Association of Securities Commissioners will meet in Dallas,

Texas. This meeting will be attended by practically all of the State Securities Commissioners, by officials of the Securities and Exchange Commission, including the Honorable Jerome Franks, Chairman of the Securities and Exchange Commission, by the Honorable Sam Rayburn, Speaker of the House of Representatives, by the Honorable O. H. Allred, Regional Administrator of the Securities and Exchange Commission for this region, the Securities Commissioners of such neighboring states as have securities acts, and by many other men who are distinguished in the field of securities regulation. An outstanding program has been arranged for this meeting.

"It is the belief of this department that immeasurably more benefit would be obtained by holding the next regular conference of the entire personnel of the Securities Division on such dates in Dallas, Texas. This department of necessity works in close cooperation with the Securities and Exchange Commission and in attendance at this meeting will be not only the Regional Administrator of the Securities and Exchange Commission, the Honorable O. H. Allred, but all members of the staff. It is believed that the opportunity for the forces of the State Securities Commission and of the National Securities Commission to get together and discuss cases and problems on which both divisions are working at the present time will be of great benefit and will enable the two divisions, and in particular the office of the Secretary of State, to more efficiently protect the investing public of Texas from fraudulent sales of stocks and securities.

"As stated above, there will also be present the Securities Commissioners of the neighboring states whose cooperation is likewise essential to the work of this department and a greater measure of cooperation will undoubtedly be secured from such Commissioners through the closer contacts that will be made on this occasion. The Secretary of State of the State of Texas, the Assistant Secretary of State of the State of Texas and the Securities Commissioner of Texas are planning to be in Dallas on these dates and it is planned, if such conference can be legally called at Dallas instead of at Austin, that all members of the Securities Division be given an opportunity to attend such meeting, hear such addresses, and that a conference of the entire personnel of this department be held each day at the close of the scheduled program for the purpose of discussing the problems and topics discussed by the speakers on such program.

I would, therefore, respectfully request your opinion as to whether or not such conference can be legally called at Dallas, Texas instead of at Austin, Texas on the above dates, and whether or not the members of this department attending such conference will be entitled to claim the expenses incur-

red on such trip under the laws of the State of Texas and in particular under the provisions of the General Appropriation Bill."

From your letter it appears that this conference would be called in Austin were it not for the desirability of having it at Dallas on the occasion of the convention of the National Association of Securities Commissioners. We understand that all the business which otherwise would be transacted in Austin will be attended in Dallas with the probability that added benefits may be had through attending the meetings of the National Association during the same period of time. The conference to be called by you would be official in every respect and the employees summoned by you would be required to appear. If we understand you correctly the place of your regular conference is changed and perhaps the date is varied slightly in order to get the advantages of having your employees attend the meetings of the National Association. No new conference is created in order to attend the National Association Convention and it is apparent that little, if any, added expense would be incurred. While the meeting of the National Association would be the cause of changing the place of your conference the prime purpose of the meeting of the state employees remains the same as it would be if held in Austin. It is our opinion that the inhibition contained in the current appropriation bill against paying traveling expenses of employees of the state in attending conventions is not applicable here, that this conference can be legally called to be held in Dallas instead of in Austin, Texas, and that the members of your department responding to the request to attend may claim reimbursements from the State for their expenses. The answer to your question is therefore an affirmative one.

Yours very truly

APPROVED OCT. 4, 1940  
GERALD C. MANN  
ATTORNEY GENERAL OF TEXAS

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By  
Glenn R. Lewis  
Assistant

GRL:rw:ml