

EXECUTIVE ORDER NUMBER FIFTY-SEVEN

WHEREAS, recent events have developed, both within and without the State of Alabama, bringing to light certain facts which reflect adversely upon the financial integrity of revenue bonds issued for some local industrial development boards; and

WHEREAS, it shall become incumbent upon the Legislature of the State of Alabama to address itself to the task of enacting legislation designed to regulate and control the means and manner of issuance and sale of industrial revenue bonds; and

WHEREAS, it is incumbent of the Governor to use all of his available resources and authority to bring to a halt any abuses, misrepresentations, or unlawful acts in the issuance or sale of industrial revenue bonds.

NOW, THEREFORE, I, George C. Wallace, as Governor of Alabama, under and by virtue of the authority vested in me by law, do hereby order and direct the Alabama Development Office to forthwith utilize all its legislative authority and power to make full and complete investigations as to any matter relative to industrial development including; but, not limited to, all legally

available information from state or federal governmental agencies, credit reporting agencies, financial institutions, professional and commercial rating publications commonly recognized in trades and professions, relative to any and all known prospective businesses, firms, partnerships, or corporations (including their agents and principals) seeking to locate in Alabama, and who evidence intent or desire to utilize the financial medium of industrial development bonds to aid or facilitate such location; and to do likewise for an individual, firm, partnership, or corporation known seeking to underwrite, sell, or trade any industrial development bonds issued by industrial development boards, cities, or towns of this State; to exchange information, seek advice, and cooperate with the Alabama Securities Commission in such matters to provide prompt, informed cooperation to industry, commercial enterprises and duly authorized officials of boards, cities, and towns upon inquiry relative to such matters; and

I request the Alabama Securities Commission, municipal officials, commercial bankers, investment bankers, and members of the legal profession to fully cooperate with each other, and with the Alabama Development Office, in a united and determined effort, to prevent any practice or procedure adversely affecting the financial soundness of any bonds issued in this State. And further request that the Alabama Securities Commission advise

any interested person as to whether, or not, any individual, firm, partnership, or corporation is licensed in Alabama as a securities dealer.

I further hereby create and establish the Industrial Securities Advisory Council to be composed of no fewer than nine (9) individuals who shall be representative of, and knowledgeable in, the fields of industrial development board organization and procedure, industrial revenue bond underwriting and sales, industrial revenue bond financing, and municipal and corporate securities, one of the members shall be designated by the Governor as Chairman, all of whom shall serve at the pleasure of the Governor, and shall serve without compensation; but, shall be reimbursed for necessary expenses incurred in the performance of their duties. The said Industrial Securities Advisory Council shall be charged with the responsibility of providing advice, consultation, and opinions to the Alabama Development Office and local industrial development boards, cities, or towns as to the relative financial soundness of individuals, firms, partnerships, or corporations seeking to locate business enterprises within the State of Alabama where such enterprises desire to use the medium of industrial revenue bond financing, and to provide its advice, consultation, and opinions with respect to the relative financial

soundness of individuals, partnerships, or corporations seeking to underwrite or sell any industrial revenue bonds issued within the State of Alabama, and to provide its counseling and advice with respect to means and methods, including proposed legislation, to protect the interest of state and local government, local industrial development boards, and the purchasers of industrial revenue bonds and securities.

DONE AND ORDERED THE 25th DAY OF OCTOBER, 1974.



George C. Wallace
GEORGE C. WALLACE
GOVERNOR

ATTEST:

Mabel S. Adams
SECRETARY OF STATE