

February 27, 1981

Dear Bill:

I regret the delay in responding to your January 28 letter to the President in which you express your concern over the SEC Transition Team Final Report. In your letter, you state that the Report strikes at the heart of the Securities and Exchange Commission, recommending a virtual dismantling of the SEC's enforcement activities.

Please know that your views are greatly appreciated and that they will be taken into careful consideration as the President's advisory staff reviews the present policy and any proposed changes in this area.

You can be assured that the Administration will take no final step without proper consultation with the Congress and that we will do all possible to help the SEC fulfill its mandate to protect the interests of the public and investors against malpractice in the securities and financial markets.

Thank you for writing and sharing with us your concerns on this matter.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf  
Assistant to the President

The Honorable William Proxmire  
United States Senate  
Washington, D.C. 20510

MLF:CMP:ms

cc: w/incmg, Gary Bauer (Policy Development) for further handling (Gary, if you feel follow-up reply is necessary, please send DRAFT to Charlie Ponticelle.)