

## John Shad Becomes 22nd SEC Chairman

by Andrew L. Rothman

John Shad, an investment banker from New York City, was sworn-in as the 22nd Chairman of the SEC by Vice-President Bush in a White House ceremony on May 6.

Mr. Shad, 57, has had 32 years of experience in the securities industry, most recently as Vice Chairman of the Board of E.F. Hutton Group, Inc., where he also served as Chairman of the Underwriting Committee and other committees and was a member of the Executive Committee.

For the past 18 years, he has been in charge of Hutton's multi-billion-dollar corporate financing and merger activities. Mr. Shad has personally assisted scores of companies in consummating billions of dollars of corporate financings and mergers, and has served on the boards of 17 publicly owned corporations, ranging from small domestic to large, multinational concerns.

During Mr. Shad's confirmation hear-

ing before the Senate Committee on Banking, Housing and Urban Affairs, Committee Chairman Jake Garn (R-Utah) said he thought that President Reagan "has made an excellent choice." Senator Alphonse D'Amato (R-N.Y.), Chairman of the Subcommittee on Securities, and Senator Patrick Moynihan (D-N.Y.) reflected similar sentiments. Mr. Shad was unanimously approved by the Committee and confirmed by the full Senate without opposition.

In response to a question during the hearing from Senator Paul S. Sarbanes (D-Md.), Mr. Shad noted that the Securities and Exchange Commission "enjoys great national respect in the business and financial community," and said, "It is a proud agency."

Mr. Shad expressed support for the integration and simplification of the corporate disclosure process in which the Commission is engaged, and indicated he believes part of the problem of overly

complex disclosure documents lies with the private securities bar. He said some attorneys more than comply with regulations in order to protect their corporate clients, but that "voluminous proxy statements, prospectuses and 10Ks, larded with disclaimers and boilerplate, are of limited value to investors. Even securities analysts and professionals find it difficult to sift through such material and form sound conclusions." In subsequent amplification of his hearing remarks, he indicated he believes well prepared, succinct documents that disclose "not only the material negatives, but that also provide the essential facts and a balanced view, are exceptionally useful; in addition to investors, they serve a host of other corporate constituencies and interests."

Mr. Shad stressed the necessity of effective anti-fraud enforcement, disclosure and industry oversight, to maintaining the integrity of the securities markets. He believes "the vast majority of businessmen believe in compliance . . . with the securities laws and regulations.

"They want to see those who lie, cheat and steal exposed and prosecuted," he said. "They want to compete in a fair environment in which the rewards go to those who deserve them."

During the hearing, Mr. Shad raised industry concerns over aspects of corporate governance initiatives and the Foreign Corrupt Practices Act. Questioned about the Federal Securities Code authored by Professor Louis Loss, he called it "a monumental accomplishment" that eliminates conflicts and overlaps, provides common definitions and reduces "a virtual library of laws and regulations to two volumes." He said he thinks the Code warrants serious Congressional consideration.

While acknowledging the severity of the problems with which thrift institutions are presently confronted, he said he does not favor imposing reserve requirements on money market funds at this



John S.R. Shad, 22nd SEC Chairman

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# Portrait of Manuel F. Cohen Graces SEC Commission Meeting Room

A lifelike oil painting of Manuel F. Cohen, remarkable in its likeness to the SEC's dynamic fifteenth Chairman, now hangs in the Commission Meeting Room, appearing as though Mr. Cohen is keeping a watchful eye on Commission meetings.

The first portrait of a member of the Commission which the agency has ever owned, this memorial to Mr. Cohen is the gift of former associates at the Commission, persons in private practice and in the securities industry. The portrait was executed from a photograph which appeared in *Fortune* magazine by Roma Harlan, a Washington artist whose work includes portraits of Congressional leaders, ranking military officers, Supreme Court officials and Federal Judges. She has also recently completed a portrait of former Solicitor General John W. Davis for the Supreme Court.

The portrait was presented to the Commission on Friday, February 27. Mrs. Pauline Cohen, the late Chairman's widow, was on hand to unveil the portrait.

"Manny was the founding father of the Commission's modern era," former Chairman Harold M. Williams said in accepting the portrait. "It was Manny who refashioned a then-maturing agency--some say an agency which was losing its sense of mission--into a unit which combined the wisdom of its experience with the vigor and idealism of its youth.... That the Commission is so well respected and effective in carrying out its tasks is, in itself, a memorial to Manny....Manny guided, advised, and encouraged those who came to serve the Commission--from bewildered new attorneys to, in the months before his untimely passing in 1977, an admittedly bewildered new Chairman. All of us, in our own way, carry Manny's legacies with us. And, that so many of us still feel touched by his presence is, in my view, our greatest tribute to him."

In presenting the portrait, Lloyd Cutler, former Counsel to President Carter and member of the Wilmer, Cutler and Pickering law firm where Mr. Cohen also was a partner, said: "Today is not a day for mourning, but of rejoicing that Manny lives on, not only in the memories of the staff of the Commission but in those of his partners and associates."

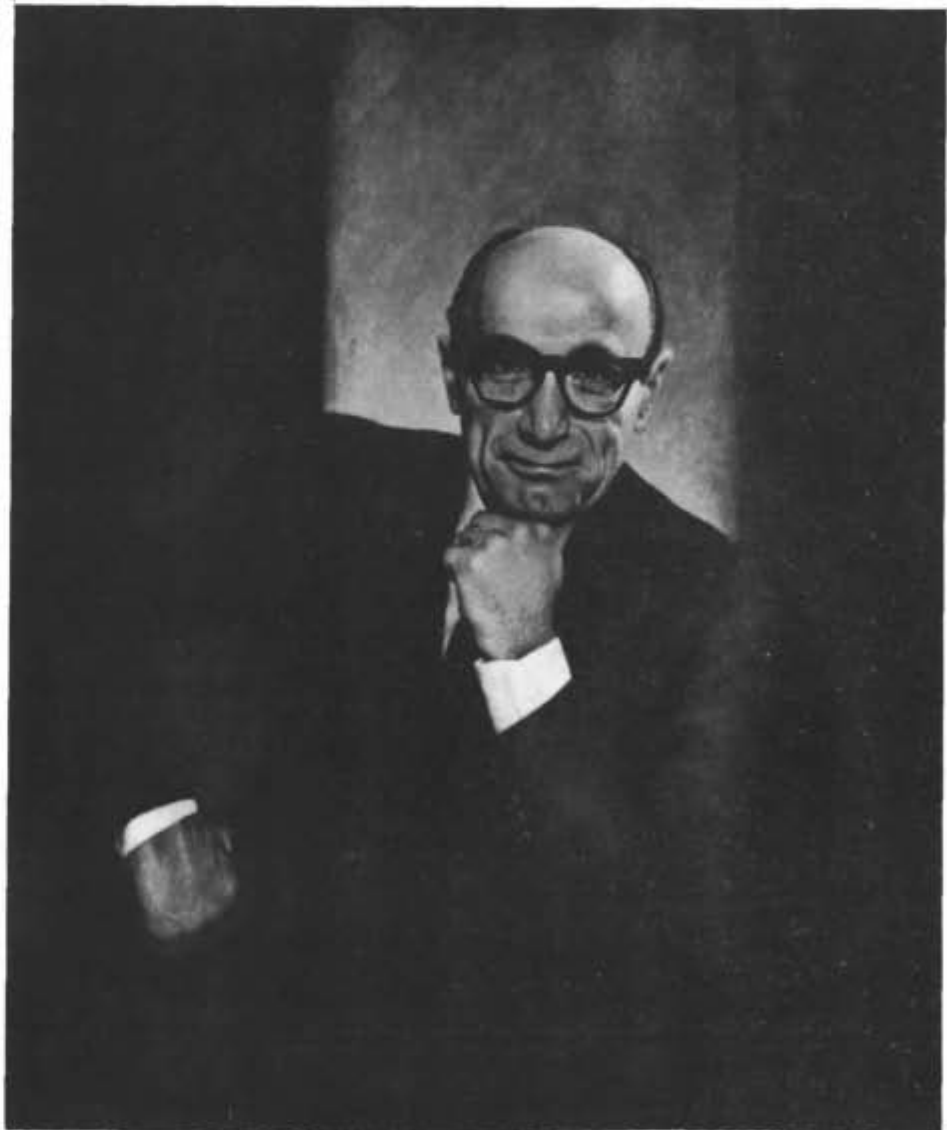
Many former members of the Commission and of the Commission staff were in the capacity crowd that filled

the Commission Meeting Room for the presentation. Those noted in the crowd included: former SEC Chairman William L. Cary, Roderick Hills and J. Sinclair Armstrong; and former SEC Commissioners Irving M. Pollack, Francis M. Wheat, Richard B. Smith, A.A. Sommer, Jr., Roberta Karmel, Daniel J. McCauley, Jr., James C. Sargent and Jack M. Whitney. Other guests included former SEC General Counsel Roger Foster and former SEC Solicitor David Ferber, as well as Leonard Leiman and Molly Zion, who had served on Mr. Cohen's staff for many years.

"Justice Frankfurter, Benjamin Cohen and Tommy Corcoran may have been the architects of the SEC basic statutes, but Manny was the master builder and operator," Mr. Pollack explained. "He was the architect of many of the now accepted, but at the time widely debated, novel, SEC substantive and pro-

cedural regulations which filled out the general statutory network and made it work so effectively....Those of us who knew Manny and who worked with him will never forget his tremendous drive, ingenuity and overriding integrity and dedication to what was right."

"Manuel Cohen was truly Mr. SEC," Stanley Sporkin added. "What he accomplished will probably never recur. Manny rose from over 19 years of service on the Commission's staff and almost three years on the Commission itself, to become its chairman." Although selection as Chairman requires a Presidential appointment, Mr. Sporkin pointed out that "Manny, who was apolitical, was nevertheless appointed because of the high esteem in which he was held by the securities industry, the country's legislative leadership and above all, by President Johnson. This is indeed a rare tribute."



# Stan Sporkin to Leave Commission

Enforcement Director Stanley Sporkin, who ranks as one of the best known Federal civil servants ever, will leave the Commission in May, Acting Chairman Philip A. Loomis said in a surprise announcement April 22. Mr. Sporkin will move to the U.S. Central Intelligence Agency, where he has been selected to be General Counsel beginning May 18.

Director of the Division of Enforcement since 1974, Mr. Sporkin, 49, is widely recognized as one of the most effective law enforcement officials in the Federal government.

"Stan Sporkin is a unique individual and the contribution he has made to this agency, to the cause of investor protection and to the strength of our capital markets, is beyond calculation," Mr. Loomis said. "His career exemplifies the highest meaning of the term 'public service' and I know I speak for my fellow Commissioners and the entire staff when I say that working with him has been a privilege and a pleasure. I am pleased both that Stan is getting this opportunity to tackle a different kind of challenge, and that our government will continue to benefit from his services."

During the 20 years with the Commission, Stanley Sporkin has made an impact few staff members of any agency can match. He has built a reputation for personal honesty and integrity and set an example for the conduct of the Division of Enforcement. "Stan really typifies the SEC at its best," former Commissioner Irving Pollack has said.

Joining the Commission as a staff attorney for the Special Study of the Securities Markets in October 1961, he moved in March 1963 to the Division of Trading and Markets. After several advancements he was named Associate Director of the Division of Enforcement in 1968 and Deputy Director in 1972.

During the Watergate era, it was Mr. Sporkin who stood fast against political pressure to delay until after election time certain depositions involving the Vesco case, once again proving the true independence of the Commission and his own strength of character.

Impressed that the political and foreign contributions of publicly held companies uncovered in connection with Watergate were more widespread than previously realized, Mr. Sporkin pressed for disclosure of similar contributions by

other companies thus setting into motion what was to become the "management fraud program" of the Commission. Under the program some 600 companies voluntarily admitted paying bribes and another 50 companies made such admissions following enforcement action by the Commission.

Mr. Sporkin has received worldwide attention and praise from many sources for his outstanding work. Numerous news articles over the past ten years have been devoted to Mr. Sporkin including sizable articles in the New York Times Magazine Section, the Sunday Bulletin (Philadelphia) and Fortune. "Incorruptible" and "full of integrity" are typical descriptions of him. Other newspaper and magazine articles have likened him to TV's Columbo, the David Runyon and to an SEC sleuth who ferrets out securities fraud and "sleeps with one eye open." Ralph Nader has been quoted as calling him "a public figure who takes his public trust seriously."

A 1976 study of nine regulatory agencies by the House Commerce Subcommittee on Oversight and Investigations ranked the SEC first, concluding:

"The Securities and Exchange Commission has maintained consistently vigorous enforcement efforts over the past several decades. Its courageous handling of the ongoing investigation of illegal corporate payments is commendable. Its resistance to White House efforts to install politically favored employees should be a

model for all agencies."

But probably the highest praise came from the Senate. In a 1977 Congressional Record statement, Senator William Proxmire said:

"Mr. President, the Federal bureaucracy has come under heavy criticism in recent years, and in most cases the criticism is entirely justified. But there are some notable exceptions. One of the most notable is Stanley Sporkin, Director of Enforcement for the SEC. In a 15-year career with the SEC, Mr. Sporkin has earned a well-deserved reputation for toughness, integrity and an absolute dedication to the public interest. More than any single individual, he is responsible for the revelations of bribes and other illegal payoffs made by many of our largest corporations both at home and abroad."

By force of his personality and reputation, Stanley Sporkin has been able to attract to the Commission many experienced attorneys who could earn considerably more in private practice. However, the Division of Enforcement has been staffed largely by bright young people many joining the Commission directly from school and they have experienced singular success against the more experienced, highly paid lawyers that major corporations often employ. The success of the Division is a tribute to Mr. Sporkin and his continuing program of educating inexperienced professionals in the "tools of the trade."

Recognition of Mr. Sporkin's achievements has often taken a more concrete

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Stanley Sporkin (Photo by Chiles T.A. Larson)

## Notes

### National Secretaries Week

From April 20 through 24, Commission secretaries were honored with flowers, luncheons and gifts by their bosses and co-workers in recognition of their contributions to the efficiency and success of their offices during the year.

This year during Secretaries Week, secretaries at the SEC Headquarters offices also had the opportunity to learn more about their wardrobe, health, the social and business graces as well as how to handle sexual advances, in four/one and one-half hour workshops sponsored by the SEC Federal Women's Program and the Office of Personnel.

"Secretaries are professionals too!" is the motto adopted by Commission secretaries.

### Volunteers Sought for Child Care Subcommittees

The Child Care Center Committee sponsored by the Federal Women's Program Committee is seeking volunteers to serve on subcommittees dealing with space and equipment, the law, management, budget, publicity and ways and means.

Employees who are interested in getting this project off the ground should call Veronica Bibb, 523-5516.

### Len Worley Makes CPA

"The Office of Internal Audit at Headquarters is proud to announce that Len Worley, Program Analyst, has passed the Uniform CPA Examination in Virginia. Mr. Worley has been with the Commission since November 1980 and was previously employed with the U.S. Department of Transportation."

### Larson Produces Slide Show of Historic Reenactment

Finding interesting assignments to photograph and write for publication during his own time has long been an avocation for Chiles Larson, Deputy Director for the Office of Public Affairs. An article he wrote on the reenactment of a Revolutionary War expedition to Quebec led to an opportunity last month to

present a program to a New York chapter of the Daughters of the American Revolution on this ill-fated 1775 campaign. He had been asked to show his slides and to discuss the ten day bicentennial adventure that had attracted over 600 participants who retraced the route of Benedict Arnold's army up to the back woods of Maine. The march culminated in a mock battle in which an additional 450 uniformed troops were involved.

As a consequence, Chiles decided to produce a program incorporating several audio tapes he had recorded on the trip. These included sounds from the mock battle, a ballad written and sung by one of the participants and music from the parade that wound through the streets of Quebec following the battle. He indicates he already has another booking and will be contacting other groups who might be interested in seeing the slide show.

## Regions

### "Now It's My Turn," Says NYRO's Donald Malawsky

On the morning of March 11, an audience of about 350 people eagerly crowded into a courtroom in the Federal Court in New York City, a room designed to accommodate 200. This audience consisted of the staff of the NYRO, former staff members and a broad representation of the securities bar and the Wall Street community.

The occasion was the swearing-in of a new Regional Administrator for the SEC's NYRO. Federal District Court Judge Kevin Thomas Duffy, a former New York Regional Administrator himself, officiated over the installation of Donald N. Malawsky, his friend and longtime veteran of the Commission's regions, as the new Regional Administrator. The standing ovation accorded Mr. Malawsky proved that among staff, friends and associates he was a popular choice for the post.

Mr. Malawsky takes over the reins of the largest of the Commission's nine regional offices at a time when the responsibilities of the New York Regional Office are as great as, if not greater than ever before. The New York Office oversees approximately one-third of all of the na-

tion's broker-dealers, investment companies and investment advisers, and the region is the center of the countries listed and over-the-counter trading markets.

Budgetary limitations that loom on the horizon will require the Office to work with ever fewer people. Nonetheless Mr. Malawsky is optimistic: "It may mean we will have to redouble our efforts to get the job done," he said, "but I am confident that with New York's superb staff we will continue to do an outstanding job."

Top credentials and experience under four New York Regional Administrators won the post for Mr. Malawsky. In 1968, Mahlon Frankhauser, the New York Regional Administrator, brought Mr. Malawsky a staff attorney in the Denver Regional Office, to New York to be his Branch Chief for Enforcement. "Working under Mahlon was a tremendous learning experience" Mr. Malawsky recalled.

The new Administrator also served under Judge Duffy when he headed the New York Office from 1969 to 1972. "Through Kevin's unique leadership, he was able to guide the staff through a period of time when severe brokerage back office problems created a crisis on Wall Street."

After Kevin Duffy became a Federal Judge, Bill Moran a long time SEC veteran became Regional Administrator. "Bill Moran led our office through thick and thin with great humanity and insight into the securities industry," stated Mr. Malawsky. "Under Bill I continued to develop." When Bill Moran retired in June 1979, Stephen Hammerman assumed the office. "During the last year and a half Steve and I lived and worked in the same office virtually every day," Mr.

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Don Malawsky, NYRO Administrator

## Morton Koepfel--Another SEC Success Story

Morton Koepfel, Assistant Director of the Division of Corporation Finance, retired January 9 after 42 years SEC service.

"I stayed at the SEC so long because I truly enjoyed working here," Mr. Koepfel commented during a recent visit. "Analyzing registration statements, 10Ks and other reports was fascinating to me. Reviewing a statement was like reading a mystery story. Every case was different. Even the time pressures involved in the processing of filings made for excitement."

Through the years when Mr. Koepfel was Branch Chief and then Assistant Director, well over 100 people worked under his supervision. "I had good contact with all of them and many remain my friends today," he said. "Most of the people were very bright, very willing, very eager. One of a supervisor's main functions is teaching, and I really enjoyed it. Many of the young people thought of working at the Commission as a graduate course and they gained a tremendous background before going on to pursue careers in private industry. I sometimes felt like a professor in a graduate school."

Mr. Koepfel joined the SEC in 1939 as one of its then staff of 35-40 messengers. In those years, the messenger service was more comprehensive than today, and individual messengers were assigned to each floor. Jobs were scarce in 1939 and messengers earned a scant \$1080 per year. Many Commission messengers were college graduates and those, like Mr. Koepfel, who were not were attending college at night. The goal of an SEC messenger in the pre-war years was to move

up to the professional ranks, and Morton Koepfel was among the many who did.

Before this SEC career was interrupted by World War II, Mr. Koepfel had been promoted to a clerical position and was examining reports in the then Investment Company Division. He served in the U.S. Army Medical Corps from 1942 to 1946, where for 26 months he was with a hospital in England which received many of the wounded from the battlefields in Europe.

In 1946, he returned to the Commission at its Philadelphia war-time location. There he was assigned to work in the Ownership Report Section, then a part of the Division of Corporation Finance. That job led to the examining branches of the Division. Evenings in Philadelphia were spent studying at the Wharton School of Finance. He completed his studies after the Commission returned to Washington and received Bachelor's and Master's degrees in accounting from Benjamin Franklin University.

In 1960, the late SEC Chairman Manuel F. Cohen, who was then Division Director, promoted him to Branch Chief in charge of the work of several attorneys, accountants and financial analysts. In 1975, he was named as Assistant Director of the Division and was charged with supervising three branches, each at the time responsible for reviewing the filings of approximately 700 companies.

Mr. Koepfel is married and has two sons and a daughter. One son is an attorney employed by the Commission; the other is a financial analyst in the computer field. His daughter will graduate in

May from the University of Maryland with a degree in Accounting.

Not to be outdistanced by her family, Mrs. Koepfel attended the University of Maryland part-time for several years and two years ago received her degree in business administration with a major in transportation.

A three-week vacation in Florida and organizing his personal affairs has occupied Mr. Koepfel since his retirement. While future plans are not firm, he is considering working part-time as a consultant.

## Carman Blough Dies-- Early Ties With SEC

Carman George Blough, who had been the Commission's first Chief Accountant, died Monday, March 9, following a brief illness. He was 85.

Mr. Blough was a manager and later a partner of Arthur Andersen and Company, one of the "Big 8" accounting firms (1938-42) and was the first full time director of research for the AICPA (1944-61).

But in SEC circles, Carman Blough is remembered as the Commission's first Chief Accountant, a position established in December 1935 just one and a half years after the creation of the SEC. At the time of his appointment as Chief Accountant, Mr. Blough, a member of the Commission's staff, had already had extensive experience in private accounting practice and in teaching accounting at several universities.

He served as Chief Accountant for only three years, advising the Commission on accounting matters, conducting studies, investigations and research involving accounting theory, and conferring with accounting authorities and staff members involved in drafting and interpreting accounting rules and regulations for establishing procedures to be followed in the conduct of audits and accounting investigations. But they were three years in which precedents were set for how the Commission was to handle accounting and auditing procedures in the future. The first eight Accounting Series Releases were issued in those years including the one most familiar to anyone who reads financial statements (ASR No. 4), which sets forth the rule that financial state-

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(l to r) Mathew Epstein, Morton Koepfel, Joe Bernstein and Herbert Miller

# Personnel Office Shop Talk

## Handicapped Recognized

The "Outstanding Federal Handicapped Employees of the Year" Award was established by the Office of Personnel Management in October, 1968 to recognize individual achievements and, by publicizing them, to increase awareness of contributions being made and thereby focus attention on opportunities for handicapped applicants in the Federal Service. Nominees are submitted from all Federal agencies and an agency may only submit one person per year. In the past the Commission has had two winners of this award, Dennis Myers, Administrative Services and Ulysses (Buzz) Lupien, Directorate of Economic and Policy Analysis.

This year three persons were recommended by their offices for consideration for this award. A panel had a difficult task of selecting one of the three to be the Commission's nominee. The panel selected Thomas Dowling, Statistician, Directorate of Economic and Policy Analysis. His justification reads, in part: "Although handicapped by a complete loss of hearing at birth, Tom has worked diligently to obtain the skills and knowledge necessary not only to perform his job and participate in many community activities, but to excel in them." His name has been submitted to the Office of Personnel Management as the Commission's nominee for the "Outstanding Federal Handicapped Employee of the Year" Award.

## 1981 Designated Internat'l Year of Disabled Persons

The United Nations has proclaimed 1981 as the International Year of Disabled Persons (IYDP). Establishing a theme of "full participation" for all disabled persons, the United Nations resolution states: "All individuals who have a handicap should have the right to live as indepen-

dently as possible with full opportunities for participation in all phases of American life".

The Commission plans to sponsor activities to heighten public awareness of the rights, capabilities, achievements, and needs of disabled persons, perhaps in cooperation with other agencies. Activities will be announced in future publications. Anyone who has ideas or suggestions may contact Nancy A. Wolynetz, Selective Placement Coordinator, Office of Personnel - Room 761 - 272-2550 or any member of the Handicapped Advisory Committee: Mary Binno, Room 444, 272-2287, David Coman, Room 2121, 523-5980, Thomas Dowling, Room 2243, TTY-523-5615, Ulysses Lupien - Room 2211, 523-5629, or Linda Schneider, Room 7423, 523-3952.

## Performance Appraisal Implementation Underway

Over the past several months progress has continued in the implementation of the Commission's new Performance Appraisal System. This System was developed pursuant to the Civil Service Reform Act of 1978 which requires each agency to specify critical job elements and corresponding performance standards for each employee's position.

At the SEC the implementation process began with those employees covered by the new Merit Pay System, specifically GS-13s through GS-15s designated as supervisors or management officials. These staff members have developed critical job elements and performance standards for their positions and will complete their first formal appraisal period on September 30, 1981. Merit payouts will be made on or after the first pay period in October based upon performance during this first appraisal period. However, the next phase in the implementation process is to develop performance plans with critical job elements and performance standards for the remaining staff members.

To assist us in this significant task, approximately 40 employees volunteered to work on task groups, encompassing 12 different job categories, to develop model job elements and performance standards. Task group members participated in an intensive one and a half day training program conducted by Office of Personnel staff, on writing job elements and performance standards. The groups met independently to complete their models.

As a result of the task groups efforts, the models will be used throughout the Commission in several ways. Overall, they represent examples of different approaches to writing performance plans. For employees in the sample job categories, the models may be modified, restructured or completely revised to fit the individual situation. Certainly the use of the models will save time and effort for employees who are not familiar with performance plans.

In order to complete the implementation of the new Appraisal System, the Office of Personnel will be conducting a series of half day orientation/training sessions for all non-supervisory, non-management employees at headquarters as well as in the Regional Offices. Sessions will be conducted beginning in April and continuing through June and will be scheduled through Administrative Officers.

The Office of Personnel request your cooperation and assistance throughout the implementation process and encourages active participation in the training sessions.

## Securities Transactions: Employee' Responsibilities

Rule 5 of the Regulation Regarding Conduct of Members and Employees and Former Members and Employees of the Commission ("the Conduct Regulation") controls the purchases and sales of securities by employees and by members of their immediate household. Listed below are some of the most frequently asked questions about the Rule along with the appropriate responses.

- Q. What securities purchases should be "cleared"?
- A. All proposed purchases of securities should be cleared in advance.
- Q. Why?
- A. Proposed purchases should be cleared to prevent the appearance of or an actual conflict of interest and to avoid violations of other provisions of the Conduct Regulations.
- Q. How is clearance obtained?
- A. Telephone the Office of Personnel (FTS 8-272-2550 Karen

Mickelson or 8-272-2519 LaVern Mock) and identify the security to be purchased by its exact full name.

The security will be checked against the Commission's records to determine whether it:

- Has any 1933 Act registration statements (initial registration statements in the case of money market funds) or Regulation A filings pending or which have become effective within the past 60 calendar days;
- Is a company registered under Section 5 of the Public Utility Holding Company Act of 1935;
- Is a registered broker-dealer or investment adviser;
- Is the subject of a pending SEC investigation, administrative proceedings and court proceedings, and;
- Is in a receivership proceeding in which the Commission is participating or which arose out of a Commission action that is the subject of a proceeding under the Bankruptcy Act in which the Commission is a party.

Generally, the clearance request will be processed overnight and any clearance given on a security purchase is good for five working days. (Purchases not made within this period must be recleared.) Of course, employees may conduct their own records search without help from the Personnel Office. But, if they do so and a post transaction audit discloses that they purchased securities in violation of the Conduct Regulation, appropriate remedial action may be recommended against such employees.

- Q. What transactions must be reported and when?
- A. With the exception of money market funds, any transactions or actions which changed an employee's securities holdings must be reported, including: purchases, sales, gifts, inheritances, dividend reinvestments, stock splits, etc. In the case of money

market funds, while initial investments must be reported, additional transactions are required to be reported only if they change the holdings by \$2500 or more.

Transactions must be reported within five business days of the effective date (five days after the confirmation date in certain situations such as automatic dividend reinvestments.)

- Q. What forms are used to report transactions?
- A. SEC 681 - Revised Supplemental Report, available from Administrative Officers, the Office of Personnel or Publications is the correct form.

**NEXT MONTH** - More information on the responsibilities of SEC employees in reporting securities transactions.

## Attitude Survey

Look for an article in the next issue on the results of the employee attitude survey conducted in October, 1980 by the SEC Office of Personnel. Detailed reports are available for viewing in the SEC Library and the Office of Personnel. Division/Office Directors and Administrative Officers will be receiving a condensed summary of the detailed reports. Interested employees may also review those summaries.

## Management Matters

### Decision is Near on Consolidated Headquarters

by Betty Lear

The General Services Administration planned to decide on a lease award for the Commission's new headquarters space on or about May 15, 1981, with occupancy scheduled for June 1982.

GSA recently signed a space contract for the first of two years located on C Street, S.W. That space, reportedly for the Federal Energy Management Agency, was one of the buildings considered as a possibility for the Commission. Two remaining sites of which we are aware are: the second tower (which will be at 400 C Street, S.W.) and a building to be built at 450 Fifth Street, N.W. - Judiciary Plaza. While there may be other buildings of which we are unaware, the Commission would be able to be consolidated at either of these sites.

Having actively sought new SEC headquarters for the last ten years, the Com-

mission is looking forward to consolidation and the many benefits to be derived from it. Notwithstanding increased efficiency and productivity, perhaps the most important benefit to be derived from consolidation will be greatly enhanced morale.

While Capitol Mall North (the formal name of the headquarters building) was and is a tremendous step up from the "tar paper shacks" in which we were housed in 1966, the last consolidation was short lived. Before the first year here was up, the Washington Regional Office was relocated in Virginia. The 1972 move to L Street, in conjunction with a major reorganization, saw several additional offices cut off from such important central facilities as the Library and printing facilities. Equally important, and perhaps more devastating, the prime users of the Commission's Central Records - as well as other files - were separated from them. Moving half of Corp Fin to First Street three years ago caused even more severe problems.

Barring the unexpected, all these problems will be behind us in little more than another year. During these coming months, each of us in the headquarters area can aid directly in the transition from Capitol Mall North to our new site by discarding duplicate files and materials. We will significantly be less crowded in our new facility, and the space can be much more attractive and professional in appearance only if we dispose of clutter.

## SEC Savings Bond Drive April 27 to May 8

The Commission's 1981 Savings Bond Drive opened Monday, April 17, and will run for two weeks through May 8, 1981.

At April 3, the SEC had the lowest rate of agency participation in all of the Federal Government, and it has a long way to go to bring its level of participation up to this year's goal--50 percent participation and an increase of 25 percent in allotments of present bond buyers.

### Buy Bonds and Help Beat U.S. Inflation

One way government workers can support President Reagan's program to beat inflation is by buying U.S. Savings Bonds. Donald Regan, Treasury Secretary, told Federal employees who attended the Kickoff Rally for the 1981 national U.S. Savings Bond campaign on April 8.

A capacity audience of keyworkers from government agencies throughout the Washington area filled the large Departmental Auditorium for the inauguration of this year's bond drive. Honorary Chairman Yul Brynner undoubtedly was one of the attractions, but he was overshadowed by the dynamic Secretary of the Treasury, who is a former Chairman and Chief Executive Officer of Merrill Lynch, Pierce, Fenner & Smith, who clearly knew his subject.

Secretary Regan outlined some of the positive benefits of the sale of savings bonds on the U.S. economy. For example, the economical 8 percent interest rate paid on savings bonds does not work to push the rate of inflation higher as do other means the Government has for raising money, such as the sale of Treasury bills and notes in the open market where interest rates are currently over 15 percent. In addition, dollars raised through the sale of bonds are outstanding twice as long as other instruments of debt and free up funds available to private industry for capital expansion and the stimulation of new jobs.

All of the advantages to the purchaser of savings bonds are not indirect. Safety, a secure rate of interest and certain tax advantages are other features noted by Secretary Regan which make savings bonds an attractive investment.

But this year U.S. Savings Bonds are a better buy than ever before. Since the opening of the SEC campaign, the Treasury Department has announced an increase in interest to 9 percent on bonds held to maturity. This is an increase of 1 percent over the previous rate and 2 percent over the 7 percent rate offered during last year's campaign. Not a bad rate of return for an investment of as little as \$3.75 per payday.

#### BULLETIN

The interest rate on Series EE U.S. Savings Bonds held to maturity was raised to 9 percent effective May 1, 1981. The previous 8 percent rate had gone into effective November 1, 1980.

The guaranteed rate of interest on savings bonds has gone up more than ten times since the bonds were inaugurated during World War II, and the Treasury has authority to increase that rate once in each six months, Secretary Regan said. There are no state or local taxes on savings bonds, and federal taxes can be deferred until maturity of the bond, an advantage for those who expect to have lower taxable income in retirement years. At the same time, interest on bonds bought in the name of a child is taxable at redemption based on the child's income, usually considerably lower than that of the parent.

The goal of the 1981 campaign is to sign up 50 percent of all Federal employees and to obtain increased allotments from at least one of every two employees who already buy bonds through payroll savings. Keyworkers have been designated throughout the Commission and they will be available to answer questions about the program.



Don Regan and Yule Brenner

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ments filed with the Commission that are not in accordance with generally accepted accounting principles "will be presumed to be misleading or inaccurate" even when additional disclosures are provided.

John L. Carey, a former Administrative Vice President of the AICPA and nationally known in accounting circles, characterized Mr. Blough as "not only a competent accountant, but temperamentally ideally qualified for the job. A minister's son, he was attracted by public service. He was vigorous, industrious, and self-confident, but open-minded and judicious--not doctrinaire. When convinced he was right, he stood his ground, but he could disagree without being disagreeable. He candor, complete honesty, and good nature inspired confidence. He was not without a gift of diplomacy. He got along well with people. He had a sense of humor. He could relax convivially. He had no pretensions."

After retirement from the AICPA in 1961, Mr. Blough continued as consultant to the Institute for three years, and for two years served as an associate of Arthur Young and Co. on a half-time basis. Over the years he taught at American, Columbia and Pennsylvania State Universities, and at the Universities of Wisconsin, North Dakota, Florida, Virginia and Illinois.

Mr. Blough held an A.B. from Manchester College (1917), an M.A. from the University of Wisconsin (1922) and an Honorary LL.D. from Manchester College (1944). He attended Harvard University (1932-33) and took summer courses at Columbia and Chicago Universities. He wrote extensively for accounting and financial magazines and for 17 years (1946-1963) authored a monthly column on accounting and auditing in the *Journal of Accountancy*. In 1957, his book, *Practical Applications of Accounting Standards*, was published by the AICPA.

In 1953, in recognition of his contributions to the accounting profession, he was given the AICPA's Distinguished Service Award and in 1954 was elected to Ohio State University's Accounting Hall of Fame.

Mr. Blough was born in 1895 in Johnstown, Pennsylvania. He was a resident of Bridgewater, Virginia at the time of his death. He leaves a wife, Katherine Flory Blough, and a daughter, Betty Blough Martin.



# Money Talks

## The 1982 Budget

Changes to the per diem rate, coupled with unusually high inflation and an OMB-imposed 15 percent decrease in funding, drastically reduced the level of available travel funds in the Commission for fiscal 1981. Reductions were also imposed by OMB in areas such as the procurement of furniture and equipment. Added to these were the forced absorption of over \$500,000 of the pay increase supplemental appropriation and a hiring freeze imposed by President Carter and strengthened by President Reagan. All in all, the Commission has had to work with a very restricted budget during its 1981 fiscal year.

Estimating the Commission's fiscal year 1982 budget has, therefore, been difficult at best. The Commission first submitted its 1982 estimated (approved by OMB) budget to Congress in January 1981. That budget was modified in accordance with President Reagan's recommendations for even deeper Federal budget cuts, and the revised 1982 budget estimate was submitted to Congress in February.

The revised estimate calls for \$82,836,000 and 1,982 positions, a decrease of 159 positions from the 2,141 originally proposed for 1982. These positions were cut by program across-the-board so that no single division or office would bear the brunt of the action. It is anticipated that the reduced level can be reached without the use of drastic measures, i.e., Reductions in Force. Following good management principles, the Commission should be able to reach this goal through attrition (not filling all vacancies, even after the freeze is lifted). Even though the staffing level was cut 8 percent, the SEC fared better than some regulatory agencies. The Consumer Product Safety Commission was cut 24 percent in personnel; the Federal Trade Commission 18 percent; the International Commerce Commission 17 percent; and the Civil Aeronautics Board 12 percent.

In a two-hour hearing held March 11, Acting Chairman Loomis testified before

a House Appropriations Subcommittee on behalf of the Commission's proposed 1982 budget. George Kundahl, Deputy Executive Director, and Lawrence Haynes, Comptroller, were also principal witnesses. Other witnesses and attendees included the three Commissioners, as well as representatives from each major division and program area.

On April 8, the Commission appeared before a Senate Appropriations Subcommittee. On behalf of the Commission, Acting Chairman Loomis pointed out that the "Commission's staff today is smaller than it was in 1975.

"This is so," he said, "despite the fact that since that time the Congress has

substantially increased our responsibilities ... (i) if the Commission suffers from significant reductions (it) will not be in a position to carry out its mission in an acceptable manner."

While the ultimate outcome of the budget process cannot be predicted, results should be known by late June or early July.

Budgetary forecasts prepared by the Office of Management and Budget call for further reductions in future years. Consequently, the best efforts of all staff members will be required in order to uphold the standards of excellence that have become the hallmark of the SEC.

## SEC Chairman Landis Subject of New Biography

by Mary Teel

The standards for excellence which are often attributed to the Securities and Exchange Commission can be traced back to a handful of men who were on hand to guide the agency in its early years. Probably no one deserves more credit for the agency's auspicious beginnings than James McCauley Landis, one of the five men who formed the first Commission, the second SEC Chairman and one of the drafters of the Securities Act of 1933. Landis' influence on regulatory matters was felt long after he left the Commission.

"More than any of his contemporaries, James Landis had associated himself with the independent agencies as a teacher, writer, practitioner and critic," Donald A. Ritchie, Associate Senate Historian, concludes in a new biography of Landis. Titled *James Landis, Dean of the Regulators*, the 208-page information-packed biography published by Harvard University Press, traces the rise and fall of James Landis, both professionally and personally.

A 32-year old Harvard law professor, Landis and two young New York attorneys, Benjamin Cohen and Thomas Corcoran, one weekend in 1933 were brought to Washington by Felix Frankfurter to draft the first securities law, which became the Securities Act of 1933. Landis wrote most of the legislative and enforcement sections of the Act, which he successfully defended in Congressional hearings against experienced counsel for the securities industry, which included John Foster Dulles.

He stayed on in Washington first as an FTC Commissioner to assist in admin-

istering the new securities law and then as Commissioner and Chairman of the SEC. While he did much to set the direction of the new Commission, his work at the SEC set into motion a pattern that was to take him from the academic into the regulatory community.

In 1937, Landis left the SEC to return to Harvard as the youngest Dean of Harvard Law School, but after the outbreak of World War II he was called back to Washington by President Roosevelt to rescue the Office of Civilian Defense from internal problems. Among the staff he brought from Cambridge was Dorothy Brown, a secretary with whom Landis was to become romantically involved while his wife Stella remained in Cambridge. In 1943, he took an assignment as agent for the State Department in the Middle East and later in 1944, now estranged from his wife, Landis returned to Harvard as Dean.

In June 1946 he resigned from Harvard to accept appointment by President Truman as Chairman of the Civil Aeronautics Board. "Landis came to the CAB determined to reform its bureaucratic machinery and to clarify its economic goals," Mr. Ritchie points out. "He wanted to accelerate procedures and workloads to give board members enough time to plan a new national route structure systematically. He also hoped to instill in the board a new respect for the values of competition, although he realized that the board was laboring under a

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## LANDIS *from p. 9*

congressional mandate to limit entry of new airlines in the field...Landis' unorthodoxy and independence in international negotiations disturbed the Department of State and put him perpetually at loggerheads with the nation's leading overseas airline, Pan American." Finally, on the day after Christmas, 1948, President Truman succumbed to mounting political pressure and fired him.

Early 1948 was a tumultuous period for Landis. He had divorced Stella, but not yet married Dorothy Brown. Fired from the CAB, he was depressed and lonely, drinking too much and without a job.

Joseph Kennedy came to the rescue offering him a job on the staff of Kennedy Enterprises, an organization formed to promote the interests of the Kennedy family. Originally rivals for position of first SEC Chairman, Kennedy and Landis had become fast friends while members of the Commission. While associated with Kennedy Enterprises and later in private practice, Landis assisted the family with articles, speeches and research. He spoke on vital issues in the Middle East before the University of Virginia Student Legal Forum when it was headed by Robert Kennedy, and when Robert Kennedy was counsel to the Democratic minority committee during the Army-McCarthy hearings, Landis spent three weeks with him preparing the minority report. "They provided such a superior analysis," said Mr. Ritchie, "that the Committee's Republicans adopted most of it as their final report." Landis aided John Kennedy as a freshman Congressman by supplying research material for his Pulitzer Prize winning Profiles in Courage. "Literary gossip of the times," Mr. Ritchie tells us, "suggested that Landis and other had ghostwritten the book."

After John Kennedy became Senator Kennedy, one of his assignments was as a member of the Commission for Government Reorganization headed by Herbert Hoover. He turned his responsibilities on the Commission over to Landis, an expert in the field of regulatory organizations. Landis dissuaded Hoover from a proposal to turn regulatory responsibilities over to Cabinet departments and outlined his recommendations for regulatory reform which became the core of the Hoover Commission's proposals Congress adopted

for five agencies, the SEC, FTC, CAB, Federal Power Commission, and Federal Maritime Board. Under Reorganization Plan No. 10, approved by Congress June 20, 1949, the SEC Chairman was no longer to be chosen by the five Commissioners but would be appointed by the President, who could also remove him as Chairman although not from the Commission. In addition, day-to-day direction and internal administration of the staff organization was transferred to the Chairman, while substantive functions were left to the full Commission.

Intense, hardworking and brilliant, Landis was obsessive in his work habits, often bringing a cot into his office so that he could work around the clock until a report or project was completed. But dedication to work took its toll on his personal life. Divorce and remarriage and incipient alcoholism probably influenced him to give up his position as Dean at Harvard; and apparently the pressures he placed upon himself led him to delay filing Federal income tax returns until after five years the IRS caught up with him. As a result, Landis served a month's imprisonment and on July 10, 1964 was barred by the New York Supreme Court from practice for one year. "The scars that the episode has inflicted on me," Ritchie quotes Landis writing to his psychiatrist, Dr. Kolb, "are too deep to be readily healed."

When Landis was released from prison, Robert Kennedy offered him a post receiving and declassifying records for the John F. Kennedy Presidential Library, and Landis had planned to fly to Washington during the first week in August to meet with representatives of the Library. The Friday before that meeting, July 30, 1964, Landis went for a swim in his backyard pool. Shortly afterwards two neighbors found him floating face down. At the ceremony that followed, Robert Kennedy "quietly but visibly wept.

The author quotes from one eulogy which indicates the measure of the man. "The death of Jim Landis invokes all too automatically facile comparison to a Greek tragedy—the fatal flaw, the fall from greatness, the fascination and gossip of the mob," wrote Seymour Rubin. "He deserved better in his last year." Landis, in Rubin's words, had the look of "an untamed eagle" and the "lonely independence that justified that appearance."

Crammed full of facts about Landis and his era, this scholarly work gives a

poignant insight into the life of an important man in the history of the Securities and Exchange Commission. Well-documented and obviously the product of extensive research, the book lists well over 30 oral histories and interviews, a similar number of manuscripts, including SEC Commission minutes, and 44 pages of notes with references to other sources. James Landis, Dean of the Regulators, is available in the Commission Library.

## REGIONS *from p. 4*

Malawsky noted. Steve's great energy and strong knowledge of the securities industry was an inspiration to me and the rest of the staff, and we were sorry to see him leave."

"Now it's my turn," Mr. Malawsky said. "I am confident that I can uphold the great traditions of the New York Office, basically because the staff is the best anyone could ask for. I am extremely proud of everyone in the New York Office. I know they will be able to meet the challenges that the future will bring."

His early experience with the Commission was as staff attorney in the Denver Regional Office (1962-1968) under the guidance of then Administrator Donald Stocking, a man who deserves the reputation for developing regional administrators. "Don got me off to the right start," said Mr. Malawsky, "and I am forever grateful for his continued support." In addition to Mr. Malawsky, under the tutelage of Don Stocking, Gerald Boltz (FWRO-LARO), Robert Watson (FWRO) and Robert Davenport (DRO) later headed regional offices.

Not one for "all work and no play," Mr. Malawsky is one of the New York Office's running enthusiasts. One of several staff members to complete last year's New York City Marathon, Mr. Malawsky looks forward to running in the Marathon again next October. "Running," he said, "has helped me to lose around 30 pounds and to improve my overall health, and I strongly recommend it to anyone who can do it."

Prior to joining the Commission's Denver Regional Office in 1962, Mr. Malawsky served in the U.S. Army as a lieutenant in the Judge Advocate's Office at Fort Carson, Colorado. Following his transfer to the New York Office in 1968, he was named Assistant Regional Administrator for Enforcement in 1969. In March 1974 he was promoted to Asso-

*See REGIONS, p. 11*

time. Asked about the controversial Transition Report on the SEC that recommends a 30 percent reduction in the Commission staff and other drastic changes, Mr. Shad affirmed that he was not part of the team that prepared it and that he does not consider it to be a "guideline, path or map" to the Commission's future activities.

Mr. Shad is only the second Chairman of the Commission to be appointed directly from the securities industry. (The first was Harry A. McDonald, who served on the Commission from March 1947 through February 1952). Asked if his background might create the appearance of a conflict of interest, Mr. Shad responded, "I do not feel it is a problem. I intend to do what I think is right . . . to act in the national interest."

In an unusual arrangement, Mr. Shad was appointed by the President and confirmed by the Senate to serve as Chairman under two different terms on the Commission. He will initially occupy the unexpired term of former Chairman Harold M. Williams, which expires next year. But on June 5th of this year, Mr. Shad will resign from that term and succeed into a five year term which expires in 1986. (Commissioner Stephen S. Friedman, whose term expires on June 5th of this year has announced that he plans to return to private life.) It is expected that in June the President will appoint another Commission to fill the remaining year of former Chairman Williams' term.

Mr. Shad, a native of Brigham City, Utah, worked during his first two years of college as a riveter in an aircraft plant at night, while attending classes during the day. During and following World War II, he served in the Pacific and China as a naval officer. He received a B.S. degree with honors from the University of Southern California in 1947, a Masters degree from the Harvard Business School in 1949 and, in the midst of a successful investment banking career, obtained an LL.B. degree in 1959 from New York University Law School.

Asked by Senator Sarbanes what prompted him to attend law school while working full time on Wall Street, Mr. Shad responded with a smile: "My wife, Pat, and I decided it was more interesting to attend law school together in the evening, than to watch television." He added that his legal training has proven very helpful in identifying and resolving at an early

stage the legal and tax problems involved in corporate financings and mergers. At law school he received recognition for high academic performance in corporate and mortgage law. He has also served on the executive committee of the NYU Law School Alumni Association and he taught investment banking at the NYU graduate business school.

Mr. Shad began his career in New York in 1949 as a security analyst. In 1960 he became a general partner in charge of corporate finance at Shearson, Hammill & Co. (now, Shearson, Loeb Rhoades Inc.). He joined Hutton in 1963 as a Vice President and initiated the firm's investment banking activities. He subsequently progressed within Hutton to Vice Chairman of the Board.

A member of Beta Gamma Sigma and Phi Kappa Phi academic honorary societies, Mr. Shad is the author of articles on corporate finance and mergers and received the Investment Banker of the Year award from Finance Magazine in 1972.

Pat Shad graduated from Wellesley College with honors and from New York University Law School, where she was on the Law Review for two years. She practiced with Legal Aid for several years and has served on the boards of community activities. The Shads have two children, Leslie, 23, and Rees, 17.

## REGIONS *from p. 10*

ciate Regional Administrator for Enforcement and in September 1979 to Deputy Regional Administrator of the New York Office.

A native of Milwaukee, Wisconsin, Mr. Malawsky received his undergraduate degree from the University of Wisconsin in 1959 and his law degree from the University of Wisconsin Law School in 1961. He is a resident of Upper Montclair, New Jersey where he resides with his wife Beryl and son Douglas.

## 71 Years of Dedication

No matter how you measure the years and regardless of how you say it - over seven decades, nearly three quarters of a century, three score and eleven - seventy-one years adds up to a lifetime.

The Denver Regional Office of the Commission honored two of its most faithful employees, Frances J. Day and Charles E. Higdon, during a retirement luncheon on January 8, 1981. Together, Fran and Charlie dedicated seventy-one

years to the Commission--an uncommon achievement by anyone's standards.

Invitations, in the form of a "Suepeny Dukes Do-Come," were sent to long time friends of Fran and Charlie and former employees of the Commission who had worked with them. In addition to the present staff members, sixty-seven well-wishers came to wish Fran and Charlie farewell. Bob Davenport, Administrator of the Denver office, addressed the guests and fondly reminisced about the 23 years he worked with Fran and Charlie.

Bob Davenport told of the many comic moments they shared, and discreetly alluded to a few humorous, but slightly embarrassing tales better left to the imagination of the well-wishers. But, in addition to the laughter, Bob said, there was the sadness of ending the 23 years of mutual respect and support Fran, Charlie and he experienced while working together. Regardless of the praise he gave them, he said, no amount of words could span the fullness of the years they shared; the rich memories would have to suffice.

Frances was responsible for keeping the Denver office's files in order, an often difficult and thankless chore, and oversaw all outgoing correspondence. In a farewell letter written by Donald Stocking, former Administrator of the Denver office, he said of Fran, "No other office had better kept files than Denver and Frances was a wonderfully capable person to work with. Frances was the best."

The Assistant Regional Administrator (Enforcement) of the Los Angeles Regional Office, Ralph H. Erickson, also acknowledged her exceptional service to the Commission. "Frances Day is being allowed to retire at the age of 39 because she had done the work of two people for the last 20 years. The Commission decided to connect the Denver office to the computer only when it heard that Frances was considering retirement."

Fran intends to take full advantage of her retirement by traveling far and wide and by visiting friends and relatives across the United States. She also plans to continue working in the private sector.

Charlie's reputation as an expert geologist went far beyond the government sector. According to Don Stocking, "[H]is knowledge of every hole in the ground in the western half of the United

## REGIONS *from p. 11*

States was remarkable. His cases were so well prepared. He made an excellent witness. Many times opposing counsel would make the mistake of thinking they could take Charlie apart on cross-examination only to find that they had opened the door for Charlie to pour on additional evidence to sink the defense. Juries believed Charlie!" Many defendants were able to get "zebra-striped suntans because of Charlie's great work" according to Ralph Erickson.

Charlie has opened a consulting office in Denver, right across the street from the Denver Regional Office where he can keep a watchful eye on his longtime friends. Rumor has it that he is doing quite well.

The retirement luncheon proved to be a warm reunion as well as a sad farewell. Several people spoke to the guests of their favorite memories of Fran and Charlie. Among the retirement gifts presented were two paintings by Johanna Anderson, the wife of Axel Anderson, Branch Chief, Small Issues.

Charlie's painting was of an old mine in the high country of Cripple Creek, Colorado. A sail boat adrift in a tropical cove off Tahiti was given to Fran. Hopefully both of them will be able to visit the beautiful locations painted by Johanna Anderson.

The staff of the Denver Regional Office wish Fran and Charlie the best of times in the years to come and hopes to keep in touch.



*Francis Day and Charles Higdon*

## Whats Happening

### Lunchtime Aerobics Classes

May 4 saw the start of a series of aerobics classes for Commission employees held during the lunch hour. The first series of ten classes given by a trained YWCA instructor twice a week was scheduled for 1:00 p.m. The cost is \$20.

Additional classes will be held at noontime if there is sufficient interest. Information about these classes which are sponsored by the SEC Recreation and Welfare Association, can be obtained by calling Ted Christ, x-22024.

### SEC Unisex Tennis Ladder

The SEC Recreation Association announced the opening of the 1981 tennis season with the following Tennis Ladder which reflects the results of play during 1980.

Position	Name
1	Ciccone, A.
2	Shea, S.
3	Lang, N.
4	Christ, T.
5	Lemke, T.
6	Silbert, H.
7	Madeoy, A.
8	Weinberger, A.
9	Osheroff, G.
10	Kiernan, P.
11	Pardee, C.
12	Teel, M.
13	Walker, A.
14	Rush, A.
15	Florschutz, F.
16	Djinis, A.
17	Wade, F.
18	Thompson, E.
19	Kibler, N.
20	Goldman, P.
21	Nelson, I.
22	Hartigan, J.

To sign up for the 1981 ladder, call Ted Christ on 272-2024. All match results should be reported to Ted as well.

## Golf Tournament

The SEC Recreation Association is having its Annual Golf Tournament on May 29, 1981, at the Lake Needwood Golf Course near Gaithersburg, Maryland.

Call Ted Christ, 272-2024, if interested.

## SPORKIN *from p. 3*

form. In 1979 he received the President's Award for Distinguished Federal Civilian Service, the highest award of the Federal Civil Service. In 1978 he was recipient of the Rockefeller Award for Public Service, given by the Woodrow Wilson School of Public and International Affairs at Princeton University, and in 1976 he received the National Civil Service League Special Achievement Award. He has also received the SEC's Distinguished Service and Supervisory Excellence Awards and the Alumnus of the Year Award from Pennsylvania State University in 1979.

One of four children of Common Pleas Court Judge Maurice W. Sporkin, Stanley Sporkin grew up in Philadelphia, where childhood visits to his father's courtroom led to his interest in law. He received a B.A. in 1953 from Pennsylvania State University where he was elected to Phi Beta Kappa. He received an LL.B. from Yale Law School in 1957. He was admitted to the Pennsylvania and Delaware Bars in 1958, the District of Columbia Bar in 1963 and to practice before the U.S. Supreme Court in 1964. Mr. Sporkin is also a Certified Public Accountant. He was a law clerk to the Honorable Caleb M. Wright, Chief Judge of the District Court of Delaware from 1957 to 1960.

## SEC Employee News

The SEC Employee News is published monthly by the Office of Public Affairs, U.S. Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. Articles on subjects of interest to SEC employees are welcome, and should be sent to Editor, SEC Employee News, Room 181. Letters to the editor are also welcome but should be kept short, and must be signed.

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