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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, D.C. 20510

June 28, 1983

The Honorable Ronald Reagan
The White House
Washington, DC 20500

Dear Mr. President:

We are writing to recommend the nomination of Charles L. (Lindy) Marinaccio for appointment to the position of Commissioner on the Securities and Exchange Commission.

As you know, Mr. President, the Securities and Exchange Commission is an independent regulatory agency which exercises important executive, legislative, and judicial responsibilities. In such an agency, its Presidentially appointed members must be necessarily sensitive to the programs of the Administration, the views of the Congress and its oversight Committees, and developments in the judiciary. The United States enjoys the best free capital market in the world. Members of the Commission must exercise their considerably complex duties in a mature, cooperative, and collegial manner if their special responsibilities are to provide a positive contribution to the maintenance of our capital markets.

We believe that Lindy's background, work experience, and personal qualities make him a truly outstanding candidate for a seat on the Commission.

After graduating from the George Washington University Law School, where he served on the Law Review, Lindy law clerked for the Chief Judge of the District of Columbia Court of Appeals where he gained an appreciation of the judicial process. Following that experience, Lindy became a Trial Lawyer with the Organized Crime and Racketeering Section of the Criminal Division of the Justice Department. In that position Lindy participated in grand jury investigations and litigation involving persons alleged to have violated anti-racketeering statutes, giving him a strong background in executive department enforcement of important Federal laws. Later, Lindy transferred to the Antitrust Division where his primary experience was in the field of financial institutions mergers and acquisitions and the administration of the Federal statutes relating to maintaining a competitive economic structure.

Lindy's experience in the Antitrust Division led him to the Federal Reserve Board where he worked for five and one-half years, first in the Legal Division and later as an Adviser in the Division of Supervision and Regulation. As a member of the Federal Reserve's officer staff Lindy had a management role over the implementation of statutes designed to ensure a safe and sound financial system including those statutes providing a line of demarcation between the commercial banking and securities industries.

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His experience at the Federal Reserve led him to a position on the staff of this Committee as General Counsel and most recently Minority General Counsel. In his eight years with the Committee, Lindy has had a key staff role in the passage of landmark legislation including the Garn-St. Germain Depository Institutions Act of 1982, the Depository Institution Deregulation Act of 1980, the International Banking Act of 1978, and the Securities/Commodities Accord Amendments of 1982. This year he has worked intensively on the quota increase for the International Monetary Fund which passed the Senate recently, and amendments to the Export Administration Act, the Export-Import Bank Act, and the Foreign Corrupt Practices Act, all of which have been reported out of this Committee and expected to be taken up on the Senate floor in due course.

His direct experience with the securities industry garnered while at the Federal Reserve and with this Committee serve to qualify him with specificity for a position on the Securities and Exchange Commission. He has worked to achieve a bi-partisan consensus on accounting requirements applicable to companies subject to the jurisdiction of the S.E.C. which serve to ensure cost-effective management control over corporate assets and preparation of corporate financial statements in conformance with generally accepted accounting requirements. His deep knowledge of the Glass-Steagall Act and the historical separation between banking and commerce will enable him to make a substantial contribution to the debate over the pace and scope of the deregulation of the banking and securities industries and the technology of new product offerings by those industries which increasingly spill over each into the domain of the other. Moreover, the competitive dynamism of the competition has significant ramifications for the existing regulatory structure including the questions of regulatory overlap, duplication, waste and inefficiency. Lindy's background with securities and financial institutions and with governmental re-organization proposals before this Committee provide him with the background to contribute to the on-going discussion of these questions.


We believe Lindy would make a most effective Commissioner because of his combined experience in enforcement activities at the Executive Branch level and in policy formation at the Congressional level. It is rare that these two experiences are combined in one individual. Those who have policy experience often have difficulty in understanding the practical enforcement ramifications of any proposed rule or regulation. Likewise, those whose experience is exclusively on the enforcement side often fail to grasp the underlying policies and end-objectives that gave rise to a statute. Lindy, however, has had practical, first-hand experience in both enforcement and policy, and these skills would enable him to make a unique contribution to the work of the Commission.

There is no question that Lindy's background and work experience suit him admirably for a position on the Commission. But we referred previously to the complex governmental system in which the Commission must operate and the relationship of that mechanism to the securities industry. Here

we feel that Lindy would make an outstanding contribution to the management of the S.E.C. Lindy has worked on some very complicated matters while serving on this Committee. He has worked with Senators and staff on both sides of the aisle and with a complex array of interest groups to help achieve consensus legislation, time after time. We believe that after watching him perform on the Committee that his talents will make a substantial contribution to the well-functioning of the S.E.C. within the framework of its executive, legislative, and judicial responsibilities, as applicable to the great capital raising mechanism of our Nation.

Mr. President, we heartily commend Lindy Marinaccio to you as a nominee for the position of S.E.C. Commissioner.

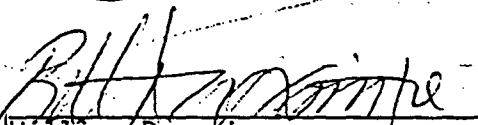
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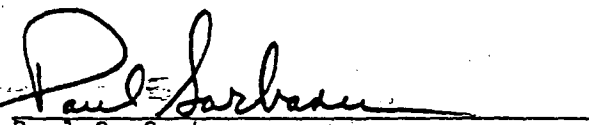
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