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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

KENNETH A. MCLEAN, STAFF DIRECTOR
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August 11, 1987

Harvey L. Pitt, Esq.
Fried, Frank, Harris, Shriver and Jacobson
1001 Pennsylvania Ave., NW
Washington, D.C. 20004

Dear Harvey:

We were extremely pleased and encouraged by the support shown for S. 1380, the Insider Trading Proscription Act of 1987, at the Securities Subcommittee hearing on August 7, 1987.

The fact that Acting-SEC Chairman Charles C. Cox, SEC Division of Enforcement Director Gary Lynch, and Richard M. Phillips, representing the Legal Advisory Committee of the New York Stock Exchange, each testified that S. 1380 was an improvement over existing law will facilitate our efforts to improve S. 1380 as we work towards a final product.

We were also encouraged by the witnesses' demonstration of a genuine willingness to work together to achieve such a result.

The purpose of this letter is to request that you, working with your group, continue to assist us to complete the process that we have begun. In this regard we would like you to work with representatives of the Securities and Exchange Commission, the New York Stock Exchange Legal Advisory Committee, and the Subcommittee staff to narrow as many of the outstanding issues as you can in order to perfect S. 1380. What we would like from you, by September 8, 1987, if possible, is a final legislative proposal, complete with proposed report language.

We recognize that there may be two or three issues where your group, the Commission and Richard M. Phillips may not be able to agree. If this should occur please provide us with the rationale for the approach which you take, together with an explanation and discussion of the alternatives suggested by the Commission or the New York Stock Exchange Legal Advisory Committee.


If your group should have any problems complying with this request please contact Steven B. Harris or Tom Lykos of the Subcommittee staff.

Thank you for agreeing to help us complete the task of providing Congress with a plain language, workable restructuring of the law on insider trading.

Sincerely,



Alfonse D'Amato



Donald W. Riegle Jr.
Chairman, Securities
Subcommittee