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The Honorable Arthur Levitt  
Chairman  
United States  
Securities and Exchange Commission  
450 5th Street, N.W.  
Washington, D.C. 20549

Dear Arthur:

The invitation you extended to me to lead efforts to organize an SEC Historical Society was flattering and well received. I am pleased to accept this responsibility, and hope organizational efforts can proceed smoothly.

Goals

One important goal for the Society might be to maintain historical archives for papers of commissioners and staff members. I believe there is a vast store of knowledge and anecdotal information possessed by SEC alumni which could usefully be collected in a single place for public reference and scholarship. Tentatively may I suggest the following goals:

Goals of the SEC Historical Society

1. Historical - preserving the rich history of the Commission through exhibits, by sponsoring commemorations of significant events, and by maintaining historical archives for papers of commissioners and staff members.
2. Educational - sponsoring educational programs regarding capital markets and the role of government regulation in ensuring the fairness and integrity of those markets.

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3. Scholarship - sponsoring scholarship on important issues affecting our capital markets, e.g. the role of regulation in free markets.
4. Cultural - preserving and imparting to SEC staff and other governmental officials the importance of the agency's mission and sponsoring an annual dinner for senior SEC staff, Capital Hill, alumni, outside members of the securities bar and financial community who have common interest in preserving the integrity and well-being of our markets.

#### Initial Organization

My assumption is that current SEC personnel would provide important leadership and some staff support, but that the initial organizing committee would consist primarily of persons in the private sector who are interested in the SEC. Most, but not all of these persons would be former SEC officials. I will develop a list of potential participants and hope that SEC staff will expand the list contained in your memorandum.

If you will designate a person at the SEC to be the primary contact we can work together to create a master list and develop plans for an organizational meeting. If you believe that the SEC staff should not participate actively in the initial organization, I would have no problem in obtaining adequate organizational assistance from the private sector.

Part of the organizational effort would be to learn about other historical societies. Contact with the Supreme Court Historical Society and the societies for the White House, the State Department, and the Capital would be desirable. I believe the Supreme Court Historical Society and the State Department society offer the best parallels.

Another group that needs to be considered is the Association of Securities and Exchange Commission Alumni (ASECA). The SEC Historical Society would have broader goals, but we should be mindful of the possibility of co-operating with ASECA.

#### Funding

Ideally the Historical Society would be funded by both endowment grants received from the private sector and dues from members. The organizing committee should address funding at an early point.

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Timing

My schedule through the end of November of this year is remarkably full. Although some organizational efforts can take place during the next few months, I believe it would be best to hold the first organizational meeting in early January of 1999.

Cordially,

David S. Ruder

cc: Gregg Corso  
Paul Gonson  
Harvey Goldschmid

DSR/ckm