

Planning

## SECURITIES AND EXCHANGE COMMISSION HISTORICAL SOCIETY

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**A Report from the Executive Director to the Trustees on the Trustees' Vision for and Relationship to the Securities and Exchange Commission Historical Society**

August 22, 2001

Introduction

As the new executive director, I felt it was important to meet with each trustee to introduce myself, to discuss the trustee's vision for the future of the Society, and to discuss his or her role in the Society's development. Between March and August 2001, I met with twenty-four of the twenty-seven trustees of the Society, either in person or by telephone (see appendix for the schedule of meetings).

Each trustee was asked to comment on his or her:

- 1) vision for the Society – what should the Society be? do? accomplish?
- 2) commitment to serving as a board member and as member of the committee(s) to which he/she had been assigned.
- 3) commitment to giving to the Society, on either a personal basis or through his or her institution.
- 4) willingness to help build relationships with potential donors.

Because of the candor of the trustees' comments, their answers are presented anonymously. I have endeavored to report the trustees' statements as objectively as possible.

I. Vision for the Society

The following responses are presented in the order of frequency in which trustees mentioned them:

- A) *Create and share a repository of SEC papers, etc. outside of the official records with academics, scholars, lawyers and people interested in SEC history.*

The majority of trustees felt that this action is either the most important or one of the most important goals that the Society can fulfill. The Society should be proactive in a) identifying papers, studies and reports at the SEC; with former chairmen, commissioners and other participants in the financial markets; and at other sites; b) ensuring that these materials are conserved and indexed; and – most importantly – c) sharing these materials, preferably electronically. As one trustee mentioned, “these resources should be serious, available and really useful.”

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Several trustees who advocate the creation of a repository cautioned that the Society must collect and disseminate those papers, etc. which have lasting value. The Society needs to determine what is important.

The trustees felt that the primary audiences for these resources would be academics, scholars, and lawyers practicing securities law. Almost all felt that the repository – especially in electronic format – should be available free of charge to everyone.

When asked if the Society should be the physical repository of these materials, most trustees said no. They felt that the Society should affiliate with another entity to house and conserve the materials, while the Society should be responsible for sharing them. The entities mentioned included the SEC itself (although some trustees felt that there may be problems with access to information if the materials were housed there), or with an academic institution. The academic institution most frequently mentioned was Georgetown University School of Law; other suggestions were George Washington University, Harvard, Northwestern University School of Law and Yale.

An opposing viewpoint: several trustees noted that the history aspect of the Society is not of interest to them.

*B) Conduct oral history interviews with former SEC officials and with significant people in the financial markets.*

This action was the second most frequently mentioned goal among trustees. Many trustees saw the oral histories as a logical partner to the creation and sharing of a repository of materials. These interviews should be preserved in both audiotape and videotape (the tapes can reside at the partner entity), while the Society should share the transcriptions in both print and electronic format.

However, the trustees were somewhat divided in the direction that they would take this project. Some trustees favored interviewing senior SEC former staff members to capture reminiscences and personal histories; while other trustees favored hiring professionals and historians to interview people in a more scholarly manner and with a broader perspective on how the SEC fitted into American financial, political and social developments. One trustee favored interviewing more recent SEC retirees first, as they have better memories; while another advocated the Society starting with those people who will not be alive by the end of this decade.

Some trustees felt oral histories were not important.

*C) Sponsor programs.*

Some trustees felt that programs such as the major issues conference are the most important activity that the Society can do. Other trustees expressed concern about the major issues conference, but suggested other types of programs that the Society can sponsor.

Those trustees who favored the major issues conference-type program felt that the Society should focus on the securities industry today and in the future, and that the international aspect of the sessions is as important as focusing on the U.S. market. One trustee noted, "we need to offer objective programs – think-tank type gatherings to explore issues without a lot of rhetoric."

Trustees with concerns about the major issues conference questioned if the current format was too theoretical; however, they noted that if the sessions got too practical, the format would be similar to the conferences offered by PLI and others. Other trustees felt that other agencies are doing fine programs, and that Society shouldn't compete. When asked what might make a Society major issues conference different from other groups' conferences, several trustees suggested including a historic perspective (what happened in the past to get us to this point and how can past lessons help us prepare for the future), involvement of top SEC officials, and involvement of members of Congress.

Several trustees suggested other program formats:

- sponsoring gatherings of SEC officials, leading securities experts, practitioners, etc., in which the participants come together to discuss ideas as both speaker and audience.
- sponsoring a lecture series in memory of a SEC leader with an university.
- sponsoring meetings around the nation (similar to Arthur Levitt's town meetings) to educate the general public on the history of the SEC.
- hold gatherings for lawyers in areas outside of Washington and New York, on SEC issues today and what the Society is doing to capture history.

*D) Sponsor scholarly research.*

A few trustees felt that the Society should go beyond making the papers, etc. of the SEC available, and fund rigorous scholarly research and publications on issues relating to the SEC. One trustee suggested "the Society should make a real contribution to the scholarly study and writing of U.S. economic and business history." Another trustee advocated the creation of a scholarship fund to support research and publications.

A trustee suggested providing scholarships to law students who will focus on securities law in public service, or providing scholarships for internships at the SEC.

*E) Create a museum and/or public exhibition on the history of the SEC.*

A few trustees wanted the Society to eventually build or create a public museum or exhibition highlighting the history of the SEC. One trustee wanted the space to include a library-reading room, housing the repository; a museum-like display; and conference rooms for members' use, arguing that such a space will give an identity and sense of permanency to the Society.

Several other trustees thought that a display would better be exhibited at the SEC, either in the lobby or in the William O. Douglas Open Meeting Room. One trustee suggested that a portable display be created to exhibit at securities conference.

The majority of trustees, however, did not advocate the creation of a museum or exhibition, either because they thought that people would not be interested in visiting it, or that the costs of creating and maintaining such a space would be prohibitive.

When asked if the Society should have some permanent office space somewhere, most trustees agreed that the Society should seek space either in the SEC (the proposed new building was favored) or in the academic institution which will house the repository. One trustee cautioned that he felt that the Society was moving too far too fast even in hiring staff, and suggested that the board do the work and house the office for the next several years.

*F) Build a closer relationship with ASECA.*

A few trustees called for a closer working relationship with the Association of SEC Alumni, stating that the ASECA membership is the natural constituency of the Society. A trustee suggested that the Society look into offering joint membership with ASECA, although the Society would have to derive financial benefit from it. Two trustees suggested that there be a mutual swap of board members between the two organizations; one trustee called for the two organizations to merge.

A trustee suggested that the gathering of papers, etc. from former SEC staff members should be coordinated with ASECA.

Several other trustees, although not advocating an union with ASECA, suggested that the Society sponsor events of substance (not just social occasions) for both current and retired SEC staff members.

### *G) Other visions*

Individual board members had specific visions which were not stated by any other trustee:

- The Society should be important to key legislators, and should have a legislative presence in a subtle way, as a counterforce to lobbyists who are working against the SEC.
- The Society should be a logical stop for the media with questions about the SEC.
- The Society should attract 5,000 members/donors.
- Raising money is the most important priority.
- The Society should have a gift shop, either combined with the current SEC gift operations or online. (An opposing viewpoint: one trustee stated "no gift shop or trinkets.")
- The Society should have a director of volunteer services.

### II. Commitment to Serving as a Trustee and on Committees

Approximately one-third of the trustees interviewed stated they had a long-term commitment (3-5 years) to serving on the board; another third were "OK" in serving on the board but didn't feel a strong commitment; and the remaining third were not sure about staying on.

When asked about their committee assignments, about half of the trustees were satisfied with their current committee(s); one-third asked to change their assignment because of a particular interest or disinterest; and the remainder stated they would not work.

A few trustees felt that the current board is an "inner circle" and that the board membership must be expanded and diversified. Two trustees called for more geographic diversity; one trustee suggested expanding the board to at least 40 members. A trustee asked if having regulators on the board may prove to be a conflict of interest in the Society raising money, even if those trustees do not seek grants. One trustee suggested that an Advisory Committee be created for future board members and for retired board members.

In regards to trustee meetings, one trustee asked for at least 3 board meetings a year, with committee meetings taking place just before the board meeting. One trustee asked if the board meetings could be held during the evening, preceded by dinner.

### III. Giving to the Society

Most board members agreed that trustees should give to the Society, either personally or through their institutions, and indicated that they would do so on an annual basis. A trustee suggested that each board member be responsible for a personal gift at a certain level, or for raising a certain amount each year.

However, several trustees pointed out that the Society is not among their philanthropic interests or is a minor one. A few trustees indicated that their current or future giving is dependent on the scope and relevance (in their estimation) of the work of the Society.

The range of personal gifts indicated was \$200 to \$5,000 per year; institution gifts were \$10,000 to \$25,000.

### IV. Willingness to Help Build Relationships with Potential Donors

The majority of trustees were not interested in helping to identify and open the door to potential funders to the Society. Only about one-fourth of the trustees were willing to identify or select one or more institutions from the prospect lists, or to suggest their own prospects, to contact.

Those trustees who did not wish to assist in fundraising cited the following reasons:

- have their own charitable interests and fundraising priorities, and wish to devote their time to those causes.
- have raised funds for other causes, and do not wish to do so for the Society.
- no time.
- not comfortable with the process.
- their work prohibits them from asking for funds.

Some trustees suggested potential funders:

- heads of legal departments of businesses, to serve as contacts
- investment advisors
- exchanges
- public funding through the SEC
- lawyers who have come through the SEC.

I would like to thank the trustees for meeting with me, and appreciate their thoughtfulness and openness in discussing their views on the Society. I hope that this report can be useful in directing the future work of the Society.

*Carla Rosati*

Carla L. Rosati, CFRE  
Executive Director

Appendix

*Schedule of Meetings with Trustees*

James Cheek	August 1 <sup>st</sup>
James Doty	June 7 <sup>th</sup>
Daniel Goelzer	April 6 <sup>th</sup>
Paul Gonson	July 30 <sup>th</sup>
Edward Greene (by telephone)	June 7 <sup>th</sup>
Stephen Hammerman (by telephone)	July 3 <sup>rd</sup>
Dixie Johnson	June 11 <sup>th</sup>
Stanley Keller	June 13 <sup>th</sup>
Richard Ketchum	June 22 <sup>nd</sup>
Edward Kwalwasser	July 11 <sup>th</sup>
Alan Levenson	April 25 <sup>th</sup>
Theodore Levine (by telephone)	July 26 <sup>th</sup>
Arthur Levitt	August 8 <sup>th</sup>
Gary Lynch	August 8 <sup>th</sup>
Kathryn McGrath	March 28 <sup>th</sup>
William McLucas	July 2 <sup>nd</sup>
Robert Mundheim	July 11 <sup>th</sup>
Richard Phillips	May 7 <sup>th</sup>
David Ruder	August 15 <sup>th</sup>
Thomas Russo	June 27 <sup>th</sup>
Mary Schapiro	June 21 <sup>st</sup>
Joel Seligman	July 18 <sup>th</sup>
A.A. Sommer, Jr.	June 29 <sup>th</sup>
Stanley Sporkin	July 10 <sup>th</sup>