

**Minutes of a Meeting of the Board of Trustees
Securities and Exchange Commission Historical Society
April 4, 2000**

Attendance

A meeting of the Board of Trustees of the Securities and Exchange Commission Historical Society was held at the offices of Fried, Frank, Harris, Shriver & Jacobson, 1001 Pennsylvania Avenue, Washington, D.C. 20004 on April 4, 2000. The Trustees in attendance at the meeting were Daniel L. Goelzer, Paul Gonson, Edward F. Greene, Steven L. Hammerman (by telephone), Stanley Keller, Richard G. Ketchum, Robert J. Kueppers, Edward Kwalwasser, Alan B. Levenson, Theodore Alan Levine, Kathryn B. McGrath, Richard M. Phillips (by telephone), Harvey L. Pitt, Linda Quinn, David S. Ruder and Mary L. Shapiro.

Also attending were Jonathan Katz, Secretary of the Securities and Exchange Commission; Pete Wentz, Associate Dean for Communications and Strategic Planning for the Northwestern University School of Law; Joan Imperato, Marketing Director at Fried, Frank, Harris, Shriver & Jacobson; and Thomas McCormack, Legal Assistant at Fried, Frank, Harris, Shriver & Jacobson.

Amendment of Bylaws and Election of Executive Committee

Prior to welcoming the Trustees who would be elected at the meeting, Mr. Ruder, Mr. Pitt, and Mr. Gonson, then the only Trustees of the Society, met. They amended Section 5.4 of the Bylaws by deleting section 5.4(c) and elected themselves as the members of the Executive Committee.

Introduction to the Securities and Exchange Commission Historical Society ("SECHS")

Mr. Ruder opened the meeting by welcoming all in attendance. He explained that the idea for the SECHS came from members of the SEC staff. He briefly described the goals of the SECHS, including the SECHS plans to collect memorabilia, papers, and oral histories and to create comprehensive archives, a library and a museum with a curator.

SECHS Structure and Governance

Mr. Ruder explained the formation of the SECHS as a non-profit corporation incorporated under the laws of the District of Columbia. The SECHS has a pending section 501(c)(3) application with the Internal Revenue Service, which was recently filed and should be approved within 100 days of the meeting. Section 501(c)(3) status will allow the SECHS to receive tax deductible contributions. The SECHS can receive tax deductible contributions now so long as the 501(c)(3) application is approved before the end of the SECHS' fiscal year, September 30, 2000.

The SECHS was originally formed with three Trustees: Mr. Ruder, Mr. Gonson and Mr. Pitt. These Trustees currently form the Executive Committee of the Board of Trustees. The Society's officers are Mr. Ruder, Chairman; Mr. Pitt, President; and Mr. Gonson Secretary and Treasurer.

Mr. Ruder nominated the following additional persons to serve as Trustees of the SECHS: Kenneth J. Bialkin, James H. Cheek III, James R. Doty, Edward F. Greene, Daniel L. Goelzer, Stephen L. Hammerman, Stanley Keller, Richard G. Ketchum, Robert J. Kueppers, Edward Kwalwasser, Alan B. Levenson, Theodore Alan Levine, Gary Lynch, Kathryn B. McGrath, William R. McLucas, Richard M. Phillips, Linda Quinn, Thomas A. Russo, Joel Seligman, Mary L. Shapiro and Stanley Sporkin.

Mr. Ruder, Mr. Pitt, and Mr. Gonson then voted unanimously as Trustees to appoint the nominees as Trustees of the SECHS. Pursuant to the Bylaws of the SECHS, the term of each Trustee will continue until the annual meeting of Trustees held in 2002.

Mr. Ruder continued with explanation of the SECHS governance. He noted that the Executive Committee, which will eventually be composed of approximately six to eight Trustees, will serve as "the operating arm" of the SECHS. The Bylaws of the SECHS provide for six standing committees in addition to the Executive Committee, acquisitions, membership, publications, budget and finance, development and program.

May 11, 2000 Inaugural Reception

Mr. Ruder informed the Trustees that the SECHS inaugural reception will be held on May 11, 2000 at the National Building Museum in Washington, D.C., between 4:30 and 6:30 pm. The keynote speaker will be SEC Chairman Arthur Levitt who is scheduled to speak at 5:30pm. This inaugural event was planned to publicize the SECHS. The SECHS plans to spend between \$65,000 and \$70,000 on the event. Some funds have been advanced to the SECHS and it is expected that the costs of the reception will be recouped by payments for the reception and by membership contributions. It seems likely that Trustee contributions can provide important funding in the near future.

A Trustee asked if there would be memorabilia or video at the inaugural reception. Mr. Katz stated that the SEC had a slide show at its 60th anniversary party. He would see if part or all of it could be used for the inaugural reception, as well as displays.

Other Trustees suggested using newspaper headlines and magazine covers as displays and suggested that Trustees check their personal files for any appropriate material. One Trustee suggested using the Newseum as a contact for newspaper headlines. Another suggested using the public relations personnel of NASD and NYSE to promote the inaugural reception. Also mentioned was creating an announcement on the SEC's Website and a link to the SECHS Website. Mr. Katz said he would check to see if this could be allowed. Many Trustees thought it would be a good idea to initiate press coverage of the inaugural reception. Each Trustee will be

sent 500 paper copies and an electronic copy of the Inaugural Reception brochure for distribution to interested parties.

The Building Museum does not permit receiving payments at the door. Those persons who have not paid in advance will be asked to give their names and addresses and will be billed. Arrangements are being made for SEC staff who have not paid in advance to pay at a table set up in the lobby of the SEC building.

One Trustee asked whether the SECHS had the permission of the SEC to use its name and seal in connection with fundraising or in promotion of the inaugural reception. The Society will attempt to obtain a letter from the SEC allowing the use of the SEC logo for the reception and hopefully an agreement for the SECHS to use the name and seal of the SEC in perpetuity.

Fundraising and Budget

A discussion concerning fundraising and budget ensued. The only budget planning to date occurred in order to make the necessary filings with the IRS for 501(c)(3) approval. On that form the SECHS projected obtaining approximately \$600,000 in contributions within the current fiscal year, ending in September 2000.

One Trustee commented that institutions and law firms would be reluctant to contribute money unless a business plan and a comprehensive budget was in place and observed that institutions and law firms would be more receptive to a solicitation if they were provided with recognition such as a sponsorship mention at the reception. Another Trustee commented that there is a difference between institutions and law firms. Law firms are likely to be large contributors only one time, because the nature of a partnership prevents large continuous contributions to a cause which only a minority of partners support, many partners having different favorite causes.

In response to a suggestion that the SECHS obtain sponsorship of the inaugural reception, it was agreed that it would be advisable to hire a professional fundraising consultant to review fundraising, particularly from institutions. Solicitation of large endowment gifts were suggested in order to affect fluctuations of contributions and memberships from year to year. It was generally agreed that a professional fundraiser, a business plan and a budget should precede such a solicitation. Attention should be addressed to the need for being able to explain the SECHS and its plans to prospective contributors. When possible, the SECHS should be able to present specific sponsorship programs to institutions. The electronic format should be stressed, with the likelihood that the SECHS will be placing as much of its information on the worldwide web as possible. There was agreement that a centralized repository on the Internet that could be searched from around the world would be very attractive. The internet information could also provide international emerging markets with information that they may find valuable.

The suggestion was made that the SECHS obtain internal memoranda of the SEC, evidencing the Commission's thinking process. Mr. Katz thought that in many instances, in which the topics are now purely historical, this could be possible. He added that he did not know

at this time what cutoff date would be used to determine historical information. He said that the Commission authorized much information to be made available to Joel Seligman when he was writing his book, "The Transformation of Wall Street."

Mr. Ruder informed the Trustees that there would be other costs associated with fundraising such as processing membership contributions. Mr. Pitt extended an offer to use the services of Fried, Frank's staff and space until the SECHS could afford to move elsewhere and hire personnel.

Storage Space

Regarding storage space, a portion of former SEC Chairman Manuel Cohen's records are believed to be currently stored in the basement of Arthur Mathews' house. Records of the SEC office in Seattle, which has been closed, are now in Los Angeles and the SEC's Regional Director in Los Angeles wants to dispose of those records. Mr. Katz noted that good records of formal actions and litigation exist. The area where records do not exist or are in danger of destruction mainly deal with issues of securities regulation. In addition, there are many boxes of records of law enforcement cases that the Federal Records Center would like the SEC either to remove from storage or to destroy under federal record retention guidelines. The SEC has a temporary halt on the destruction but does not have space to store these records permanently. Richard Wessel, District Administrator of the Atlanta SEC office has, among other memorabilia, correspondence of Joseph Kennedy, the SEC's first chairman.

Committee Assignments

Mr. Ruder emphasized that the Trustees now know that considerable work will be necessary in order to achieve success for the SECHS, and asked for volunteers. Some of the Trustees volunteered for Committee assignments at or after the meeting. (A list of Committee assignments will be distributed shortly).

Additional Trustees

Mr. Ruder asked whether other persons should be included as Trustees. He asked for reactions to the following: former Chairmen and Members of the SEC; former Division Directors and General Counsels of the SEC; persons in the highest positions in Wall Street Securities firms; and participants at the organizational meeting last year. He also mentioned that the Supreme Court Historical Society has approximately seventy six trustees.

One Trustee noted that the SECHS Trustees so far come primarily from Washington D.C. and New York and that the SECHS should look nationally, especially on the West Coast, for Trustees. Another Trustee suggested the use of advisory boards to include participants, perhaps by creating an Advisory Board of former SEC Commissioners. Consideration might also be given to having institutional membership categories, including organizations such as the SIA, the ICI and the AICPA.

It was agreed that a committee of Trustees be charged with making recommendations for new Trustees.

Organization

It was generally agreed that the complexity of issues facing the SECHS showed the need for a full time employee, preferably in the position of Executive Director, and for formulation of a budget and business plan as soon as possible.

Next Meeting

The next meeting of the Trustees will take place at the Washington D.C. offices of Fried, Frank, Harris, Shriver & Jacobson at 2:00 pm on May 11, 2000, prior to the inaugural reception later that day.

Respectfully submitted,

Paul Gonson
Secretary-Treasurer