

ASECA

Association of Securities and Exchange Commission Alumni, Inc.

News

For and About SEC Alumni

2009 Annual Dinner Celebrates SEC's 75th Anniversary Richard G. Ketchum Honored with William O. Douglas Award



SEC Chairman Mary Schapiro and ASECA President John Hartigan honor William O. Douglas award winner Rick Ketchum.

The Seventeenth Annual ASECA Dinner and celebration of the SEC's 75th Anniversary was the best attended and largest to date. More than 800 SEC alumni, practitioners, and industry officials, including more than 75 current SEC commissioners, division directors and senior staff, gathered at the Ronald Reagan Building and International Trade Center in Washington, D.C. on Friday, February 6, 2009. The dinner was held in conjunction with the annual PLI program, "SEC Speaks."

The evening began with opening remarks by ASECA President John Hartigan, followed by a group picture of all in attendance. Copies of the group picture, along with other pictures from the event, are available at www.imagequix.com; photographer ID: **H9REJ95** through September 30.

Special programming to celebrate the 75th Anniversary of the establishment of the SEC in 1934 began with an interview of former Commissioner Irving Pollack, first winner of the William O. Douglas Award in 1992. Mr. Pollack's remarks about the history and spirit of the SEC through the years were truly inspiring. He also gave a toast to the continued success of the SEC on its 75th Anniversary, as he had done at the 40th Anniversary celebration.

Dinner attendees were honored with remarks by both former Chairman Christopher Cox and Chairman Mary L. Schapiro, who had been sworn in the week before the dinner. Chairman Schapiro was the recipient of the William O. Douglas Award in 2008. She praised ASECA's scholarship programs and congratulated the winners who were in attendance. A total of \$63,000 in scholarships and writing competition prizes was awarded this year to law students and members of the SEC staff. (See story on page 5.)

(Continued on page 2)

SAVE THE DATE!! February 5, 2010

EIGHTEENTH ANNUAL ASECA DINNER
AND WILLIAM O. DOUGLAS AWARD PRESENTATION
RONALD REAGAN BUILDING AND INTERNATIONAL TRADE CENTER, WASHINGTON, DC

The dinner will be held on Friday evening in conjunction with the annual PLI program, "SEC Speaks."

President's Message

The 2009 William O. Douglas Award Dinner celebrating the 75th Anniversary of the SEC was our largest and most successful to date. Former Commissioner Irving Pollack, the first recipient of the William O. Douglas Award, shared his recollections of the Commission he joined over 50 years ago and spoke about the Commission's many accomplishments, professional staff and contributions to the regulation of the securities markets. Commissioner Pollack, who also gave the toast at the 40th Anniversary Celebration of the SEC, gave a memorable toast to the Commission. Our thanks to Chairman Mary L. Schapiro, the 2008 William O. Douglas Award recipient, and former Chairman Christopher Cox, who spoke at the dinner.

The 2009 William O. Douglas Award was given to Richard Ketchum, the current Chairman and CEO of the Financial Industry Regulatory Authority, who had a distinguished 14-year career at the SEC including eight years as Director of the Division of Market Regulation. Rick was introduced by his friend and mentor, former SEC Chairman David Ruder. It was a great evening that continued well into the night at an after-dinner reception.

Special thanks to our Executive Director, Cecile Srodes, and Jayne Seidman of the SEC for their efforts in making the dinner such a success.

ASECA is committed to providing scholarships and support to the SEC community and to those seeking to study the federal securities laws. To date, ASECA has funded over \$350,000 in scholarships and awards to law students and SEC support staff, as well as through our nationwide law student writing competitions. In honor of the 75th anniversary of the SEC, ASECA increased its scholarship awards and formed a special committee of our Board that is responsible for expanding our scholarship programs. We also continue to support the SEC Historical Society through our yearly grants.

Please mark your calendars for our next William O. Douglas Award Dinner on Friday, February 5, 2010. I hope to see you there.

Sincerely yours,

John F. Hartigan
President

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(2009 Annual Dinner continued from page 1)



Irv Pollack offers a toast to the SEC on the 75th Anniversary.

The highlight of the evening was the presentation of the William O. Douglas Award to Richard G. Ketchum. The Douglas Award, instituted by ASECA in 1992, is given each year to an SEC alumnus who has contributed to the development of the federal securities laws or has served the financial and SEC community with distinction. At the time of the dinner, Mr. Ketchum served as CEO, NYSE Regulation, and Chairman of the Regulatory Committee of the World Federation of Exchanges. In March 2009, he was named Chairman and CEO of the Financial Industry Regulatory Authority (FINRA), replacing Mary Schapiro who had been appointed as SEC Chairman.

Mr. Ketchum has had a distinguished career in the securities industry, principally in the public sector. In 1977, he joined the SEC and worked there for 14 years, including eight as Director of the Division of Market Regulation. He provided leadership in establishing the National Market System through his work on the creation of the Firm Quote Rule, trade reporting requirements for NASDAQ securities, and other market structure issues. Mr. Ketchum was an author of the SEC's Special Study of the Options Markets and an important participant in implementing the Shad-Johnson Accord that developed standards for the approval and oversight of new options and futures securities products.

After the October 1987 stock market crash, Mr. Ketchum led a study that resulted in the adoption of system-wide circuit breakers and steps to make clearance systems more resilient. His leadership after the failure of Drexel Burnham Lambert in 1989—until recently the largest failure of an investment bank in U.S. history—resulted in legislation that gave the Commission its first reporting authority with respect to the activities of the holding companies of broker-dealers.

In 1991, Mr. Ketchum joined the National Association of Securities Dealers (NASD) as Chief Operating Officer. He was appointed President of NASD in 1998. Two years later, he became President of NASDAQ. In June 2003, Mr. Ketchum was selected as General Counsel of the Corporate and Investment Bank of Citigroup Inc., and a member of the unit's planning group, Business Practices Committee, and Risk Management Committee. He became New York Stock Exchange's first Chief Regulatory Officer in 2004 and later CEO of NYSE Regulation.

Mr. Ketchum was introduced by former SEC Chairman and previous William O. Douglas Award winner (2007) David S. Ruder, one of the three SEC Chairmen under whom Mr. Ketchum served as Director of the Division of Market Regulation. Professor Ruder reflected on Mr. Ketchum's personal qualities of friendliness, intelligence, persuasiveness, and organizational abilities. He described his reliance on Mr. Ketchum's guidance and advice following the 1987 market crash, commenting that many of the same issues are reflected in the markets in 2009.

In his remarks, Mr. Ketchum spoke about the remarkable leadership at the SEC through the years. He praised the knowledge, skill, and collegiality of the SEC staff. He also

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expressed confidence that, under the leadership of Chairman Mary Schapiro, the SEC will meet the challenges of the times but will never lose sight of an unwavering commitment to investor

protection. For the complete text of Mr. Ketchum's speech, see page 6. The evening ended with an after-dinner reception which provided those attending the chance for additional socializing.

2009 Annual Dinner



ASECA Board members share the spotlight with SEC Chairman Mary Schapiro.



Dinner guests enjoy the program.



Rick and Mary Beth Ketchum share a moment.



ASECA Board member Stanley Sporkin chats with Irv Pollack and Regina Mysliwiec.



ASECA President John Hartigan presents a memento to former president Marti Cochran.



ASECA Board members Julie Bell Lindsay and Amy Goodman enjoy the dinner.



John Hartigan converses with former SEC Commissioner Steve Friedman.

2009 Annual Dinner



ASECA Board members Rich Brodsky, Amy Goodman and Marti Cochran with former ASECA President Sheldon Goldfarb



John Hartigan, David and Susan Ruder, and Bob Friese enjoy the cocktail party.



ASECA Board members Aulana Peters and Ernie Ten Eyck



ASECA Board members Bob Friese and Kathy Gallagher share a laugh.



ASECA Board member Frank Razzano (r.) with Paul Gonson



ASECA Board member Howard Schiffman reminisces with Sheldon Goldfarb.

Items commemorating the SEC's 75th Anniversary are available for purchase at the SEC Store. They include mugs, T-shirts, golf shirts, pens, cufflinks, and hats with the 75th Anniversary logo. The SEC Store is located on the Ground Level of SEC headquarters and is open on Tuesday and Wednesday from 11:00 a.m. until 2:15 p.m. Proceeds benefit the SEC Recreation Association.

ASECA Awards Record Scholarship Amounts at 2009 Annual Dinner



SEC Scholarship and Writing Competition award winners with SEC Chairman Mary Schapiro and ASECA President John Hartigan



ASECA Board member Doug Hyman presents scholarship certificates to Lisa Perkins and Yolanda Brown in the Chicago Regional Office as Regional Director Merri Jo Gillette looks on.

In recognition of the SEC's 75th Anniversary, the ASECA Board approved additional scholarship awards for 2009. A record total of \$63,000 in scholarships and writing competition prizes was awarded at the annual dinner on February 6 to law students and members of the SEC staff.

Kathy Gallagher presented the Georgetown University Law Center scholarships of \$5,000 each to Sean M. Donahue of Washington, DC and Kevin P. Wilson of Arlington, VA. She also announced the Brooklyn Law School scholarships, totaling \$10,000, awarded to Carl William Hasselbarth, Brooklyn, NY; Maya Krigman, New York, NY; and Daniel M. Lewis, Brooklyn, NY.

ASECA Board member Frank Razzano presented the awards for the ASECA writing competition for law student articles in the field of securities law, as follows:

- First place, \$5,000, to Kathleen E. Lange, Fordham Law School, for "The New Antifraud Rule: Is SEC Enforcement the Most Effective Way to Protect Investors from Hedge Fund Fraud?"
- Second place, \$3,000, to Eric M. Fraser, University of Chicago Law School and University of Chicago Booth School of Business, for "Don't Go Bounty Hunting in SOX: Rejecting the Calls for Whistleblower Rewards"
- Third place, \$2,000, to Zhao Feng, Brooklyn Law School, for "How Should Sovereign Wealth Funds Be Regulated?"

ASECA Board member Aulana Peters presented the SEC staff scholarships of \$3,000 each to the following individuals:

- Sheila McCoy, Officer of Investor Education and Advocacy;

- Denise Moody, Office of Freedom of Information and Privacy Act Operations;

Scholarships to the following SEC staff members were also announced:

- Tomeka D. Allen, Office of Compliance Inspections & Examinations
- Shara Brooks, Office of the General Counsel
- Yolanda Brown, Chicago Regional Office;
- Chantelle Elise Johnson, New York Regional Office;
- Jennifer L. Patterson, Fort Worth Regional Office
- Lisa Perkins, Chicago Regional Office;
- Joyce Segura, Division of Corporation Finance
- Sunil Sharma, Office of Information Technology; and
- Holly Smith, Division of Investment Management.

Since the first scholarship was established in 1995, ASECA has contributed more than \$350,000 to students in scholarship and writing competition awards. These activities are funded by contributions to the Scholarship Fund, dues, and annual dinner ticket purchases.

Detailed information about ASECA's scholarship and writing competition programs is available at www.secalumni.org. Contributions to the Scholarship Fund may be made online at www.secalumni.org, or by sending a check payable to ASECA Scholarship Fund to P. O. Box 5767, Washington, DC 20016. ASECA is a 501(c)(3) non-profit organization; contributions to the ASECA Scholarship Fund are tax deductible to the full extent allowed by law.

Other ASECA News

- ASECA joined the SEC Historical Society in co-sponsoring celebrations of the SEC's 75th Anniversary in SEC Regional Offices across the country. ASECA contributed \$15,000 in 2009 to the SEC Historical Society for this purpose. Information about these events is available at www.sechistorical.org.

- As of June 1, Midwest Regional Chapter (Chicago) co-chairs Pravin Rao and Steve Malina are stepping aside and turning over the reins to new co-chairs Jose Lopez (lopez@sw.com) and Jerome Tomas (Jerome.P.Tomas@BakerNet.com). Many thanks to Pravin and Steve for several successful programs this past year. Please contact Jose or Jerome if you are not on the e-mail list and wish to be notified of local events.

Remarks by Richard G. Ketchum

William O. Douglas Award Presentation at ASECA Annual Dinner, Washington, D.C., February 6, 2009

In accepting this award, I am terribly aware of the significance of this year. On the one hand, the celebration of the SEC's 75th anniversary gives one the opportunity to reflect back on the extraordinary achievements of the Agency in promoting the world's most efficient capital markets through clear disclosure, market integrity, and transcending all, the protection of investors. On the other hand, our country today faces the most complex, broad ranging, economic downturn experienced by any of us in our lives, with calls made by the Obama Administration for a fundamental rethinking of our system of financial regulation. Beyond that, we seem to be exposed daily in the press and in other statements to caricatures and even parodies of the SEC that are fundamentally so distortive as to make the Agency unrecognizable.

This is certainly not the place for a serious analysis of these issues, but I do want to reflect on what made my time at the SEC an extraordinary experience, and through that, try to begin to define the unique soul that makes the Agency special.

The first of these is leadership. During my time as Director of the Division of Market Regulation, I worked for three remarkable Chairmen of the SEC; John Shad, David Ruder, and Richard Breeden. I suspect that everyone in this room from my generation would agree that these three Chairmen were dissimilar in numerous ways. Yet each defined themselves by their willingness to take positions on contentious issues no matter what the political fallout. Whether it was John Shad supporting increased transparency of the over-the-counter Nasdaq market in the face of the determined deregulatory focus of the early Reagan years to David's call for a reexamination of the impact of low margin requirements on the stability of the equities markets and the illogic of two different agencies setting those disparate leverage levels, to Richard's call for the common sense merger of the SEC and CFTC and refusal to cave to international pressure to adopt capital standards that did not properly address leverage and risk for illiquid securities: If each of these sound like they echo the issues raised by the implosion of our financial markets in the last year, it's because they do! Most importantly, each of these decisions, while politically difficult, demonstrated that these three Chairmen, and the talented Commissioners who served with them, including Aulana Peters and Chairman Schapiro who are here tonight, had the courage to lead.

Second, beyond the Commission itself, the essence of the SEC during my time was found in its people. Throughout my time as Director, I served with an amazing group of colleagues in other Divisions. The knowledge and skill which they brought to the managing their Divisions was exceptional, but expected. What made them a joy to work with was the collegiality and caring they showed to each other and the recognition that the commitment to achieve our common goal of investor protection could best be achieved by working closely together. They combined that collegiality, however, with tremendous creativity and a willingness to reconsider the regulatory structure they inherited and make changes to modernize or simply make it work better. While these leaders were too numerous to list, a special mention deserves to go to Linda Quinn. Though she passed away decades too early, she fundamentally transformed the offering environment through rule 144A and Regulation S at a time where acting too slowly could have had terrible consequences. Yet no one was more effective at gaining input from others at the Commission or from practitioners to ensure that she made the right decisions and no one was more supportive of my program. I miss you Linda.

Finally, throughout my time in Market Regulation I served with remarkable professionals. Market Regulation, or as it is known now as Trading and Markets, is a quirky (maybe for this generation), geeky place. But, what I truly loved about the place was its passion. A desire to truly understand what make markets and the industry tick combined with an unswerving passion to advance investor protection and market integrity. Again, there is one person I would like to single out. While most of us immersed ourselves in that passion for a few years or a decade or so and then left in order to chase a new challenge, or finance our kids' education, a few stayed. Bob Colby deserves special mention. Bob, your encyclopedic knowledge, wisdom, and sense of humor have served the SEC and investors incredibly. As you retire from the SEC, I just want to say, thank you.

Leadership, the courage to take an unpopular stand, collegiality, willingness to reexamine the regulatory framework when necessary, a fundamental commitment to understand the industry we regulate and first and foremost, a passion-

ate commitment to make sure everything the Agency does furthers investor protection, that to me, describes the very essence and soul of the SEC. An essence, if I may offer, that is seldom duplicated by other regulatory agencies in the U.S. or around the world. Which leads me to this simple thought. To the extent that many of us participate in the ongoing financial reform debate that we speak out firmly: "whatever changes occur in the next few months with respect to the SEC – change it, make it better, grow it, even merge it, but that essence of the SEC cannot die."

I believe I can make that statement with comfort tonight because I am so confident in Mary Schapiro's leadership. No one better than Chairman Schapiro, in this difficult time, can ensure that the SEC will make the changes that the times call for, but will never lose sight, even for a second, of the SEC's unwavering commitment to place investors first.

Let me close with a paraphrase of my parting words when I left the SEC. Sometime in the future, if someone asks me, "Where did you come from, what made you who you are, and what formed your beliefs?" as long as the SEC retains its passion for ensuring market integrity, for understanding the business it regulates, and continues to stand, first and foremost, for investor protection, my answer will always be, "Where do I come from? I come from the SEC."

Thank you very much for this wonderful honor.

ASECA Financial Summary – 2008

INCOME

2008 Dinner Receipts	281,560
2009 Dinner Receipts	138,550
Dues	31,140
Interest Income	5,428
Misc Event Receipts	897
Scholarship Funds	9,500

TOTAL INCOME: \$ **467,075**

EXPENSES

2008 Dinner Expense	94,430
2009/2010 Dinner Deposits	44,231
Credit Card/Bank Charge	4,243
Directory/Membership Renewal (Printing)	9,040
Donations	15,000
Executive Director	40,000
Special Event Insurance	600
Misc	10,222
Newsletter	4,842
Office Supplies	881
Postage/PO Box	4,011
Regional Activities	1,000
Scholarship Payments	44,387
Telephone	1,172
Website	4,500
Writing Awards	10,000

TOTAL EXPENSES: \$ **288,558**

INCOME LESS EXPENSES: \$ **178,517**

Opening Balance as of 12/31/07: \$ 226,685

12/31/08 Bank Balance: \$ **405,203**

Scholarship Fund \$ 25,513

Outstanding commitments for scholarships as of December 31, 2008: \$ 29,483

**Please use this form only if you have not renewed membership for 2009.
If unsure of membership status, e-mail info@secalumni.org or call 202-462-1211.**



Association of Securities and Exchange Commission Alumni, Inc.

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ASECA dues for 2009 \$ 50.00

Voluntary contribution for Scholarship Fund \$ _____

Total Enclosed \$ _____

ASECA is a 501(c)(3) non-profit organization. Contributions for ASECA Scholarship Programs are tax deductible to the full extent allowed by law.

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ASECA was founded in 1990 by U.S. Securities and Exchange Commission (“SEC”) alumni. ASECA was initially formed to continue the camaraderie that existed among ASECA members when they worked together at the SEC. Today its membership is nationwide and international. ASECA is a non-profit charitable organization whose stated mission is to provide the opportunity for education and growth of industry professionals; to promote study and research in the field of securities law; and to educate members on securities law by means of lectures, seminars and publications.

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