

SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF RAY GARRETT, JR., CHAIRMAN BEFORE THE SUBCOMMITTEE ON STATE, JUSTICE, AND COMMERCE THE JUDICIARY AND RELATED AGENCIES COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES TUESDAY, MAY 20, 1975

Mr. Chairman, members of the Subcommittee. It is a pleasure for me and my fellow Commissioners to be here with our staff to discuss with you the planned activities and the financial requirements of the Securities and Exchange Commission for the fiscal year beginning next July 1.

I would like to begin by introducing the people who have accompanied me (list attached as Attachment 1).

Because this is the first year we have appeared before this Subcommittee, and because a number of your members may not be familiar with all the activities of the Securities and Exchange Commission in detail, I thought it might be helpful if I began my comments with a very brief and oversimplified review of our basic responsibilities and organization.

THE COMMISSION'S RESPONSIBILITIES AND ORGANIZATION

There are, of course, a number of ways of looking at our responsibilities. Traditionally, I think that the Congress and most of our professional staff, the bulk of whom are attorneys, think of our responsibilities in terms of the seven acts we are charged with administering.

ACTS ADMINISTERED BY THE SEC

SECURITIES ACT OF 1933 This “truth in securities” law has two basic objectives: (a) to provide investors with material financial and other information concerning securities offered for public sale; and (b) to prohibit misrepresentation, deceit and other fraudulent acts and practices in the sale of securities generally (whether or not required to be registered).

SECURITIES EXCHANGE ACT OF 1934 By this Act, among other things, Congress: (1) extended the “disclosure” doctrine of investor protection to securities listed and registered for public trading on our national securities exchanges; (2) established a comprehensive scheme for the regulation of securities exchanges and brokers and dealers in securities; and (3) by virtue of the enactment, in August 1964, of the Securities Act Amendments of 1964 applied the disclosure and reporting provisions of the Act to equity securities of hundreds of companies traded over-the-counter.

PUBLIC UTILITY HOLDING COMPANY ACT OF 1935 This law was enacted by Congress to correct the many abuses which Congressional inquiries had disclosed in the financing and operation of public-utility holding-company systems.

TRUST INDENTURE ACT OF 1939 This Act applies in general to bonds, debentures, notes, and similar debt securities offered for public sale which are issued pursuant to trust indentures under which more than \$1 million of securities may be outstanding at any one time.

INVESTMENT COMPANY ACT OF 1940 Companies engaged primarily in the business of investing, reinvesting and trading in securities and whose own securities are offered and sold to and held by the investing public, are subject to certain statutory prohibitions and to Commission regulation.

INVESTMENT ADVISERS ACT OF 1940 This Act establishes a pattern of regulation of investment advisers which is similar in many respects to Securities Exchange Act provisions governing the conduct of brokers and dealers. It requires, with certain exceptions, that persons or firms who engage for compensation in the business of advising others about their securities transactions shall register with the Commission and conform their activities to statutory standards designed to protect the interests of investors.

BANKRUPTCY ACT, CHAPTER X Under Chapter X, the Commission serves as adviser to United States district courts in connection with proceedings for the reorganization of debtor corporations in which there is a substantial public interest. It participates as a party to these proceedings, either at the request or with the approval of the courts. It renders independent, expert advice and assistance to the courts, which do not maintain their own staffs of expert consultants.

The Office of Management and Budget, and our own management and financial staff members, tend to think more in terms of the eight “programs” in terms of which we discuss our activities with the Office of Management and Budget.

I will not read through the description of each program. I will simply point out that our largest program, the prevention and suppression of fraud, is the major law enforcement activity we carry out to enforce the provisions of all of our Acts. Programs 2 through 6 on the list are the regulatory and disclosure programs called for by the Acts themselves. In program 7, our operational and business statistics program, we undertake the collection and analysis of financial and operational statistics for our own internal use and for dissemination to the public interested in capital markets. In addition, we make a major contribution to the Government statistical program. Finally, program 8 includes our own executive and staff functions.

PROGRAM ACTIVITIES

1. **Prevention and Suppression of Fraud**
 - Investigations of suspected violations of statutes or rules under all the Acts
 - Market surveillance
 - Administrative proceedings, civil injunctive actions and criminal references, as appropriate
 - Participation in suits for review of administrative or judicial decisions

2. **Full Disclosure**
 - Development of policies, regulations, and procedures for new issue and periodic filings
 - Review of materials filed
 - Interpretation and administration of statutory exemptions

3. **Regulation of Markets and Broker-Dealers**
 - Oversight of exchanges and other self-regulatory organizations
 - Establishment of broker-dealer standards and examinations to monitor compliance
 - Review of industry policies, performance, evolution

4. **Regulation of Investment Companies and Advisers**
 - Development of regulatory policy
 - Inspections of registered investment companies and investment advisers
 - Interpretations of and exemptions from provisions of statutes and rules

5. **Corporate Reorganization**
 - Review of petitions for reorganization
 - Participation in selected reorganizations

6. **Public Utility Holding Company**
 - Review of proposed regulated operating activities, acquisitions, reorganizations

7. **Operational and Business Statistics**
 - Collection, summation and distribution of business statistics
 - Data analysis for Commission policy and operating decisions

8. **Executive and Staff Functions**
 - Personnel and facility support
 - Management analysis and review
 - Record keeping and paperwork processing

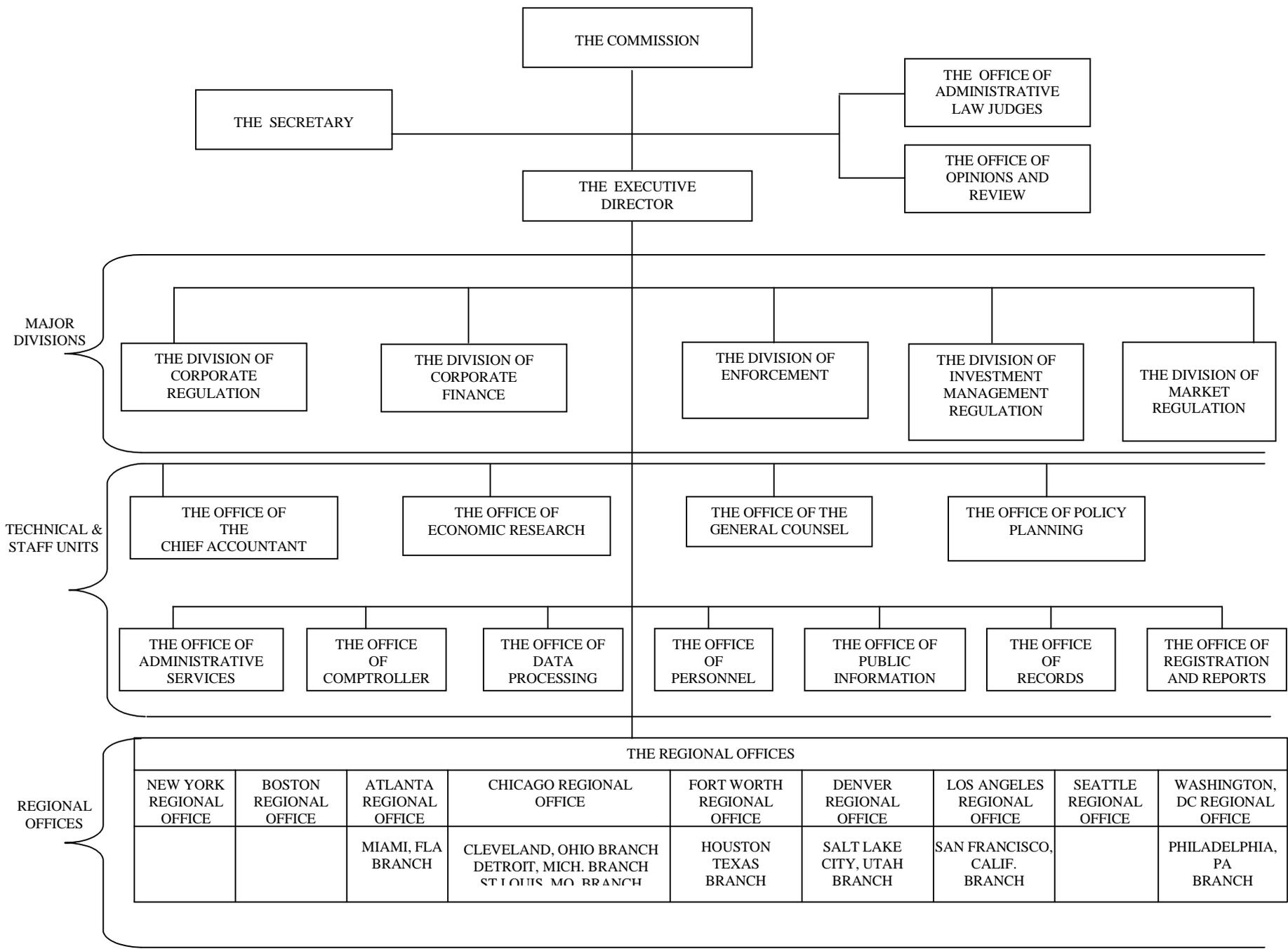
To carry out our responsibilities, we have organized ourselves into 30 organization units.

First, we have five major headquarter divisions, with responsibilities for policy making and execution in our substantive program areas. These divisions in total employ 801 members of our 1975 authorized staff of 2144. (A chart relating the organization units, numbers of people and programs is included as Attachment 2 at the end of this statement.)

Next we have 16 technical and staff units which employ 563 or 26% of our personnel. These include the normal business functions, such as the Comptroller, the Office of Data Processing, the Office of Personnel. Also included are Offices performing highly technical or esoteric functions unique to our own responsibilities: for example, the Office of the Chief Accountant, which plays a major policy-setting role in American financial accounting standards, the Office of Opinions and Review, the Administrative Law Judges.

THE GENERAL MAGNITUDE OF OUR TASKS

I suspect all of you become a little jaded hearing agency after agency describe the unique importance of its work and of the vital need for additional resources to carry it out. In this respect, we are not unique. We do feel that our work is vitally important, and that events of the recent past have accentuated its



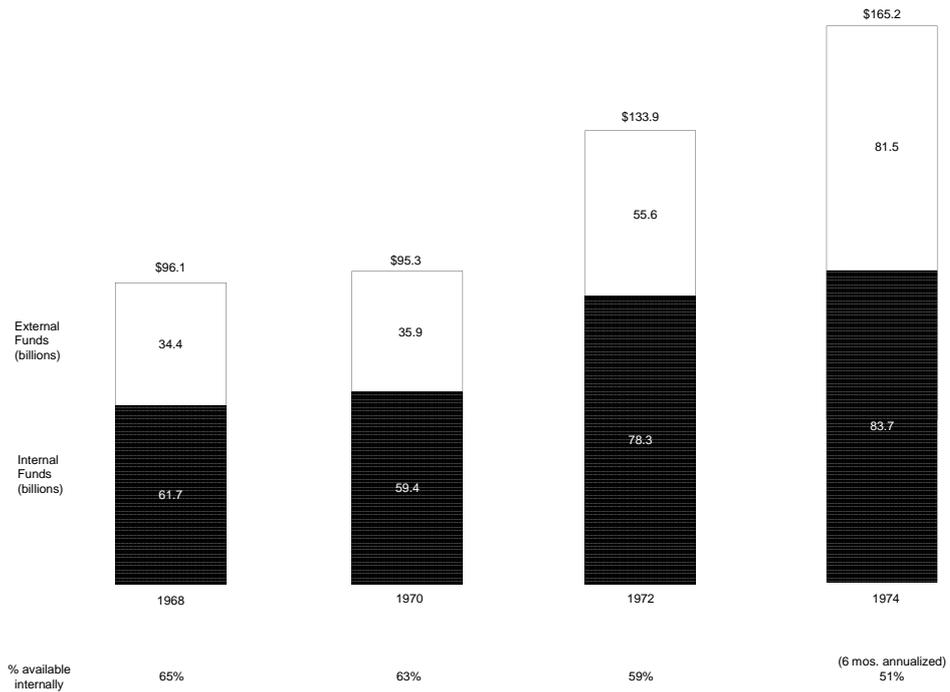
importance. Let me speak very briefly of two sets of such “events”; events in the capital markets themselves, and the actions of the Congress.

It is helpful in understanding our basic function and its increased importance to step back and ask the really fundamental question: from a public policy point of view, what do we want our capital markets in general and our securities market in particular to do? I suggest that we want two, conceptually simple but operationally complicated, things.

First, they must provide industry, and to an increasing degree government, the funds required for continued growth. The availability of funds for investment greatly affects the growth in the capacity of American industry, the subsequent growth of real income for our population, our standard of living, and our rate of inflation. Secondly, as the other side of the coin, our capital markets must provide individuals with a place to put their savings, directly or indirectly, with some assurance that their savings will grow enough to provide for their future personal needs.

The capital markets have not been performing either of these roles very well in the recent past, and we are very concerned. American industry’s needs for capital in the future are going to be immense. The New York Stock Exchange last fall calculated that expected demand for capital would exceed the likely supply by \$650 billion during the next decade. Chase Manhattan Bank in recent newspaper ads, warned of a \$1.5 trillion gap. In fact, the dramatic increased need for capital is already occurring. For example, the chart below shows the increase in demand for funds by corporations from 1968 to 1974.

BOTH OVERALL & EXTERNAL CORPORATE DEMAND FOR FUNDS IS INCREASING. . . .

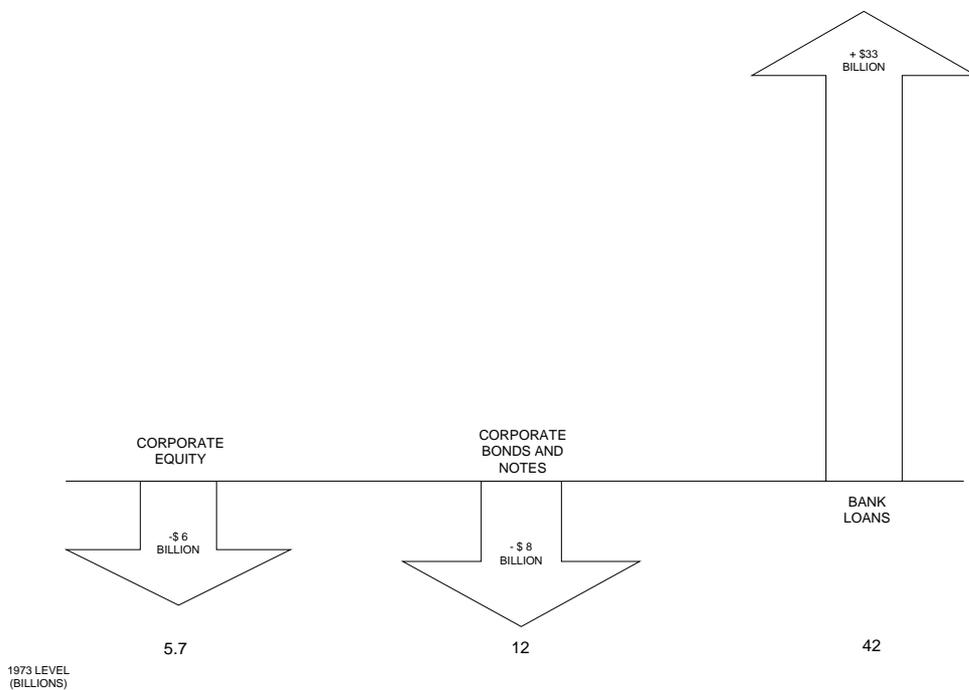


The totals needed, as estimated by Professor William White at the Harvard Business School, have increased from \$96 to \$165 billion. Perhaps more important, the funds which must be raised externally, in our capital markets, have risen from \$34 to \$81 billion.

And what has happened to corporations' ability to raise funds over this same time period? Their ability to raise equity capital through the issuance of stock or long-term debt has decreased substantially. For example, from 1971 to 1973, the mix in the type of funds corporations were able to obtain shifted dramatically.

There were significant decreases in the amounts of equity and debt securities corporations could sell and dramatic increases in the amounts borrowed from banks.

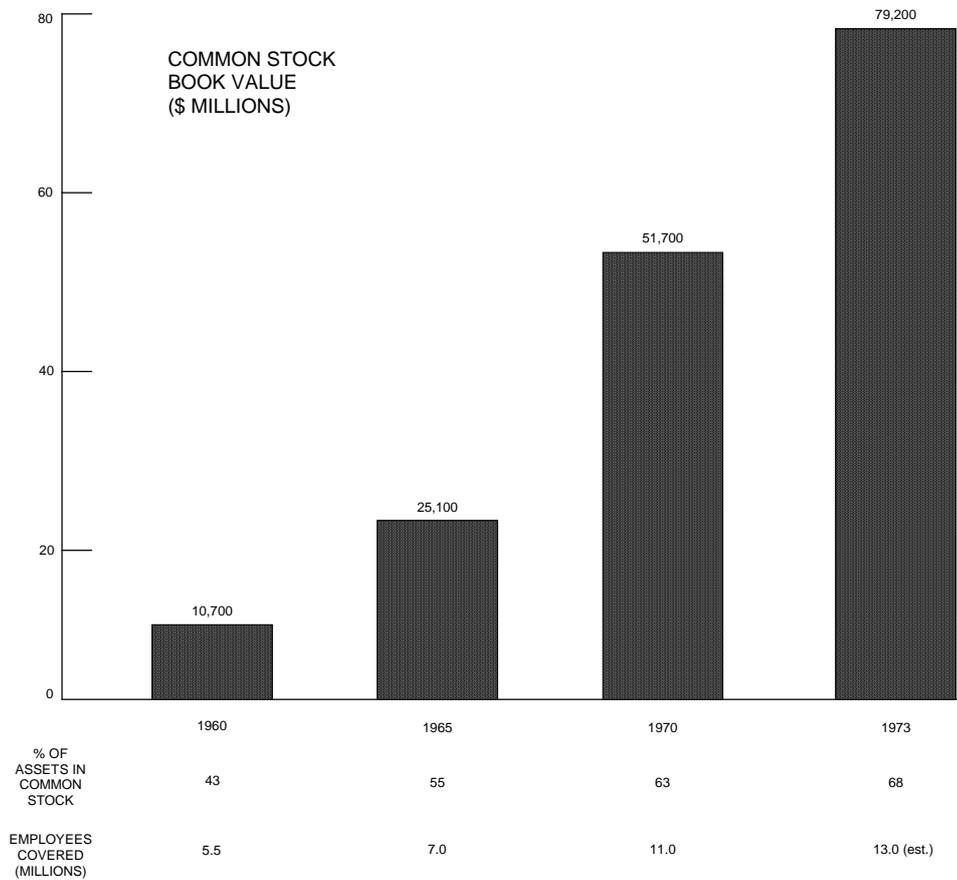
**SOURCES OF FUNDS HAVE CHANGED
SUBSTANTIALLY FROM '71 TO '73**



This change offends us, of course, because the effect this shift has, both on the long-term financial strength of corporations, and the inflationary trends in the economy. As corporations go more to banks for funds they compete with individuals for scarce resources, and they may well drive up the interest rate, one of the most important determinants of inflation. If they are doing this because the capital markets are functioning improperly, we feel a major responsibility to play a role in the Government's efforts to understand what is happening and what corrective actions are needed.

And what about individuals: how have the capital markets done in their role of providing a safe repository for their funds? I will not bore you with recitations of the performance of the stock market over the past five years. Nor will I run through the operational problems and frauds which, in our view, have seriously shaken investor confidence. The one fact I thought I would point out, particularly because of the Congress' recent strong interest in pension reform, is the extent to which the pensions of Americans have increasingly been affected by stock prices.

**PRIVATE PENSION STOCK INVESTMENTS
HAVE GROWN DRAMATICALLY**



This chart shows the growth in the assets of pension fund investments invested in common stock from 1960 to 1973. They have grown eight times, from \$10 to \$80 billion dollars. This is for two reasons. First, the number of employees covered has increased. Second, the percentage of the assets of pension funds in common stock has dramatically increased.

Naturally, the recent actions of the Congress involving pensions will significantly increase these figures. Again, this means that maintaining a fair and orderly market, our most fundamental charge, will be even more important to even more Americans in the future than it was in the past.

At the same time, Congress has not been blind to the increasing importance of the securities markets and the need to press for adequate understanding and regulation. Let me cite some examples.

As long ago as 1961, the Congress amended the Securities Exchange Act of 1934 to authorize and direct a special study of “the adequacy, for the protection of investors, of the rules of the national securities exchanges and national securities associations.” Later, in 1968, the Congress again amended the 1934 Act to authorize a study of “the purchase, sale, and holdings of securities by institutional investors of all types.” These two major studies provided the insights needed for much of our current effort.

Finally, in 1970 and 1971, both the responsible oversight committees of the House and the Senate saw a need for intensive Congressional study of the securities markets. Both houses of Congress carried out extensive studies which resulted in major reports with recommendations for significant legislation. Rather than quoting the conclusions in detail, let me simply briefly point out some of the language which is of most selfish interest to us immediately, that which deals with the question of budget. The 1972 House Subcommittee on Commerce and Finance of the Interstate and Foreign Commerce Committee reported in its Securities Industry Study that:

“The SEC has been chronically underfinanced. As candidly admitted by the Chairman of the Commission, this is due in part to the fact that in the past the agency did not request adequate budgets; when it did request budget increases, too frequently the requests were reduced by the

Budget Bureau, and then too frequently were further reduced by the Congress.”

I think it is fair to say at least two of the three agencies referred to in this brief explanation, the Commission and the Congress, have in recent years retreated significantly from their earlier reticence.

Finally, of course, the Congress’ imminent passage of important new securities legislation reflects the strong Federal government concern for this area. The legislation which was just reported out of conference will affect us in two significant ways. First, it reaffirms and strengthens the agency’s role in a number of areas for which we have long had responsibility. For example, the degree of regulation of exchanges is strengthened through provisions calling for rule-making authority with respect to specialists, review of disciplinary actions of self-regulatory bodies, review and/or initiation of rules of self-regulatory bodies.

Also, the Commission’s central role in the development of a national market system is re-emphasized.

In addition, major new functions are assigned to the Commission. Securities information processors are to be required to be registered and subject to regulation. Institutional investors are to disclose holdings and transactions in accordance with Commission rules. Municipal securities dealers are to be registered and required to comply with rules to be established by a Rule Making Board whose initial members will be appointed by the Commission. Transfer agencies and clearing agencies and depositories are to be registered and their dealings regulated.

Today's testimony will not take into account potential increased budgetary needs arising from the provisions of this legislation. When the bill is finally enacted, we will prepare a detailed estimate of these additional needs. In the meantime, I do have with me some preliminary estimates based on our best present assessment of the terms of the Act and I would be happy to answer any questions on the basis of those estimates.

THE SPECIFICS OF OUR FISCAL 1976 REPORT

I hope this gives the Committee some general idea where we have been, where we are and where we hope to be in the months ahead. Let me now turn to a brief discussion of the specifics of our budget request. As you know, our Presidentially approved request to the Congress is for \$47,187,000, an increase of \$2,754,000 or 6%, over what we expect our total 1975 appropriation to be, including a pending pay supplemental.

To put this request in perspective, I would like to make two important points. First, the net cost of our operations to the taxpayer will not be about \$47.2 million, but far less than that: a maximum of \$23.4 million. Based on our current fee schedule, we expect to collect and deposit in the Treasury slightly under \$23.8 million, or about 50% of our budget request. In addition, the new securities legislation would substantially increase fees received from stock exchanges by about \$10 million.

Second, and far more important, four mandatory increases total \$2,619,900 or 95% of the increase requested. They are:

a.	Mandatory within grade pay increases	\$ 419,700
b.	Additional cost of the October 13, 1974 pay increase in fiscal 1976	545,000
c.	Cost of sustaining the remaining 99 new fiscal year 1975 positions for the full fiscal year 1976 as compared with an average of 3 months in 1975	1,052,600
d.	Cost of rental of office space	<u>602,600</u>
	TOTAL	\$2,619,900

The effect of these mandatory increases, and other smaller absolutely essential non-personnel increases, is that the \$44,567,100 remaining in our budget request will fund only 2018 authorized positions for 1976. This means that we must cut 126 positions from our current fiscal year authorization, a cut of 6%.

We have had long and painful discussions and done extensive analyses to determine the way to apportion this required reduction in staff so as to least diminish our effectiveness. The table below indicates the number of positions we propose to cut from each operating unit, the resultant total reduction in staff available for each major program, and the percentage of cuts by program.

**Staff Cuts of 126 are Distributed to 27
of the 29 Units**

FRAUD SUPPRESSION	FULL DISCLOSURE	MARKET/ BROKER REGULATION	INVESTMENT COMPANY/ ADVISER REGULATION	CORPORATE REORGANIZATION	PUBLIC UTILITY HOLDING COMPANY REGULATION	OPERATIONAL BUSINESS STATISTICS	EXECUTIVE AND STAFF FUNCTIONS
Enforcement 20				2 Corporate Regulation 0		1 Economic Research Data Processing	0 1
Administrative Law Judges 1 General Counsel 4 Opinions & Review 0	Corporation Finance 9 Chief Accountant 1 Registrations & Reports 1	Market Regulation 16	Investment Management Regulation 6				Records 2 Executive Offices 0 Executive Director 1 Secretary 2 Public Information 1 Personnel 1 Comptroller 1 Administrative Services 5
REGIONAL OFFICES							
New York 6	0	3	3	0			
Chicago 4	0	0	5	0			
Los Angeles 5	0	2	2	0			
Washington 1	0	1	3				
Denver 2	0	1	0				
Fort Worth 3	0	1	0				
Atlanta 2	0	2	1				
Seattle 1	0	0	0	0			
Boston 3	0	0	0				
Reg. Total 27		10	14				
Total 52	11	26	20	2	0	1	14
-7%	-2%	-11%	-12%	-5%		-3%	-4%
GRAND TOTAL							126
							-6%

PREVENTION AND SUPPRESSION OF FRAUD

In terms of total staff, our largest program is the anti-fraud enforcement program. About one-third of our staff is directly and immediately involved in this effort. Fifty-two of the total 126 position reduction in fiscal 1976 will be required to be taken from the anti-fraud program -- 25 positions in the Headquarters Office and 27 in the regional offices. This will constitute a 7% reduction in our anti-fraud effort.

The number of enforcement actions we must bring to be an effective deterrant to fraud continues to increase, as is shown by our program statistics for recent years. We opened 382 investigations in FY 1974. We instituted 148 injunctive action. For the first nine months of FY 1975, 140 injunctive action have been filed.

During 1974 fifteen miscellaneous actions were instituted by the Commission and 19 actions were brought against it in the U. S. District Courts. During the year, 23 appellate cases involving petitions for review of Commission decisions were handled, as well as 60 appeals in injunctive and miscellaneous actions and eight appeals in reorganization cases.

During the year, 65 cases were referred to the Department of Justice for criminal prosecution. This represents more than a 32% increase over the 49 cases referred in the preceding fiscal year. Forty indictments naming 169 defendants were returned. For the nine month ended March 31, 1975, 62 cases were referred to the Justice Department.

Of course, numerical increases tell only part of the story. We find the nature of the problems and respondents we deal with also becoming increasingly complex. A single administrative proceeding involving a large broker-dealer may involve upwards of 25 man years of staff time. An injunctive action brought with respect to a major corporation may be met by a house legal staff comparable in size to our legal resources, plus experienced outside counsel.

In addition to activities in the traditional securities markets, there has been an increase in the past few years in promotions involving investment contracts and other securities offerings of

a less traditional nature. These have included a number of different types of tax shelters, including condominiums and oil and gas drilling programs. Investments are also being offered in commodity options, coin investment programs and pyramid schemes. Although these offerings may be securities, they often have not been registered with the Commission before being publicly offered, and the persons offering and selling these interests often have not registered with the Commission as brokers and dealers in securities.

Finally, in the context of an increasingly difficult economic climate there has been a marked increase in the cases in which the central issue of the investigation -- and almost inevitable litigation -- is the question of the accuracy of financial statements issued by the management of a publicly owned company.

FULL DISCLOSURE PROGRAM

The Division of Corporation Finance, with 361 positions in 1975, administers our second largest program, the full disclosure program. For fiscal 1976, we plan a cut of nine positions, or 2 1/2%. This cut is smaller than the cuts planned for other major programs because of the vital importance of the activity and the significant possibility that the magnitude of the work could increase.

Historically, 45 to 58% of the effort of the Division of Corporation Finance is devoted to the review of registration statements filed by companies desiring to issue securities to the public. During the last ten years, the number of such filings ranged from 1163 in 1965 to 4170 in 1969. For the last two years, for some of the reasons cited earlier, it was an abnormally low 3402 in 1973, and 2796 in 1974. This year, we are expecting the number of registrations statements filed to be about 2640. We feel that because of the increased complexity of the filings, we must plan to spend at least the 8.7 man-days per filing which was spent last year.

In addition, the Division's review or examination of periodic financial reports required to be filed under the 1934 Act is of ever increasing importance. The number of companies who file with us has gone from 6514 to 10,660 over the past eight years. In earlier years most of the periodic reports filed received a cursory review; for example, the average time we were able to spend on each annual report in 1974 was one half man-day. We feel this amount must be increased and hope to find ways to move to one man-day per report in the next fiscal year. This objective, and the chance that registration statements might increase, require keeping cuts in the disclosure program as small as possible.

REGULATION OF SECURITIES MARKETS AND BROKER-DEALERS

The regulation of securities markets and broker-dealers is the area in which it is most difficult to separate the activities required by existing legislation from the immense new responsibilities contemplated by proposed legislation. As promised, let me focus simply on existing programs. As things now stand, although this area is one of the most exciting, innovative and sensitive areas in which we are working, we see the necessity of cutting 26 positions from the program -- 16 in the Division of Market Regulation and 10 in the Regional Offices, a 10-1/2 percent reduction from the 1975 total of 245.

By far the most visible and dramatic action taken by the Commission in this past year was the abolition of fixed commission rates, directed by the Commission under Rule 19b-3 of the Securities Exchange Act of 1934 for May 1, 1975. This move has been characterized in the trade under the sobriquet of Mayday -- which we are told is, in international aircraft parlance, a distress call reserved for ultimate extremities. We have not viewed the move quite so apocalyptically. However, this apparently simple stroke of the pen ended 183 years of minimum rate pricing for securities brokerage and was a very major change. We have a strong responsibility, in our view, to follow its impact closely. We have designed an extensive monitoring system to do so; the operation of the system will require considerable commission resources.

Continued development and implementation of the Central Market System concept will be the Commission's second major priority in market regulation in fiscal 1976. During the current fiscal year, the staff has made considerable advances in designing the Central Market System. In addition, our Advisory Committee on the Implementation of a Central Market System, held public monthly meetings in a number of financial centers and expects to submit recommendations within the next few months. The Committee has shown outstanding dedication and diligence which deserves public recognition and we will need to study their recommendations in great detail.

The Commission plans to continue to monitor performance of the composite transaction reporting system, the first element of the central market; to guide the development of a composite quotation system to link the presently disparate markets; and develop a far-reaching regulatory framework to support the new marketplace.

Finally, we will continue to be deeply concerned with the conduct and financial stability of brokers and dealers.

Our examination program must examine a sufficient sample of brokers and dealers on an oversight basis to be able to assess the adequacy of the on-going examination program of self-regulatory bodies, and it must fulfill a primary examination responsibility with respect to about three hundred broker dealers registered with the Commission and not with any self-regulatory agency. In 1975 we expect to conduct over 900 examinations; in 1976 we feel we must examine at least that number.

REGULATION OF INVESTMENT
COMPANIES & INVESTMENT ADVISERS

The fourth major program which will be required to take substantial cuts is the investment management program. Of the total 126 position reduction earmarked in 1976, six positions in the Division of Investment Management Regulation and 14 in the regional offices for a total of 20 positions, a 12 percent decrease for this program, must be abolished in 1976.

The reduction of six positions for the Division of Investment Management Regulation will delay attaining certain objectives in fiscal 1976, for example:

- (a) Assessing the overall program of regulation of investment advisers, developing necessary rules under the Investment Advisers Act, and formulating possible legislative proposals for amendment of the statute;
- (b) Refining current reporting requirements for investment advisers so that regulatory reports filed with the Commission will provide more meaningful information which can be utilized more effectively; and
- (c) Developing and adopting important regulatory changes with respect to investment companies.

Equally important will be the cut of 14 positions in the field. There are approximately 1288 active investment companies registered with the SEC under the Investment Company Act of 1940, and 3014 investment advisers registered under the Investment Advisers Act of 1940. These companies and advisers manage in excess of \$150 billion of investor funds, and no other agency has any regulatory responsibility for their operation.

In 1975, we had proposed inspection cycles of one inspection every 5.3 years for investment companies and one every 7 years for investment advisers. Our ultimate objective, stated several years ago was to attain a cycle of one inspection every two years. This cut will mean that we will be unable to reduce the effective cycle below an average one inspection each six years for investment companies and one each ten years for investment advisers. In our view, these inspection cycles do not provide for effective regulation.

PUBLIC UTILITY HOLDING COMPANY PROGRAM

The 23 holding company systems registered under the Act effected external financings in fiscal 1974 of over \$2.6 billion of stock and long-term debt, and short-term borrowings of over \$2.0 billion. While the capital requirements of registrants is not expected to decline, the program will be reduced by two positions to help balance resources with other programs.

OTHER PERSONNEL REQUIREMENTS

The aggregate reduction in program areas discussed above totals 104 positions for fiscal 1976. The remaining 22 position reduction is distributed to the following staff offices. This reduction will delay or defer certain actions in carrying out their responsibilities in an efficient manner.

a. One position each in the Offices of the Executive Director, Public Information, Economic Research, Administrative Law Judges, Chief Accountant, Comptroller, Personnel, Data Processing and Registrations and Reports -- a total of nine positions.

b. Two positions each in the Office of Records and of the Secretary; four positions in the Office of the General Counsel, and five positions in the Office of Administrative Services -- a total of 13 positions.

At this point, we are prepared to answer any questions the members of the Subcommittee may have

ATTACHMENT 1

SECURITIES AND EXCHANGE COMMISSION

WITNESSES OF THE SECURITIES AND EXCHANGE COMMISSION
APPEARING BEFORE THE SUBCOMMITTEE ON STATE, JUSTICE,
COMMERCE, THE JUDICIARY AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES
TUESDAY, MAY 20, 1975 AT 10:00 A.M.
ROOM H-310, U. S. CAPITOL (HOUSE SIDE)

1976 Budget Estimate

<u>Name</u>	<u>Title</u>
Ray Garrett, Jr.	Chairman
Philip A. Loomis, Jr.	Commissioner
John R. Evans	Commissioner
A. A. Sommer, Jr.	Commissioner
Irving M. Pollack	Commissioner
Alan F. Blanchard	Executive Director
Lawrence E. Nerheim	General Counsel
John C. Burton	Chief Accountant
Alan B. Levenson	Director, Division of Corporation Finance
Stanley Sporkin	Director, Division of Enforcement
Lee A. Pickard	Director, Division of Market Regulation
Allan S. Mostoff	Director, Division of Investment Management Regulation
Aaron Levy	Director, Division of Corporate Regulation
Frank J. Donaty	Comptroller

Our 2144 current positions are divided into 29 organizational units

FRAUD SUPPRESSION	FULL DISCLOSURE	MARKET/ BROKER REGULATION	INVESTMENT COMPANY/ ADVISER REGULATION	CORPORATE REORGANIZATION	PUBLIC UTILITY HOLDING COMPANY REGULATION	OPERATIONAL BUSINESS STATISTICS	EXECUTIVE AND STAFF FUNCTIONS
Enforcement 197				9 Corporate Regulation	27	39 Economic Research Data Processing	13 49
	Corporation Finance 361	Market Regulation 133	Investment Management Regulation 74				Records 84
Administrative Law Judges 14	Chief Accountant 18						Executive Offices 24
General Counsel 48							Executive Director 17
Opinions & Review 14	Registrations & Reports 111						Secretary 20
							Public Information 8
							Personnel 22
							Comptroller Administrative Services 25
							57
REGIONAL OFFICES							
New York 132	20	37	34	12			
Chicago 52	11	21	24	10			
Los Angeles 58	13	11	11	9			
Washington 46	14	11	6				
Denver 40	10	7	1				
Fort Worth 40	8	7	1				
Atlanta 36	6	10	2				
Seattle 34	4	3	1	1			
Boston 29	4	5	8				
Reg. Total 458	90	112	88	32			
Total 731	580	245	162	41	27	39	319
GRAND TOTAL							2144