

RAY GARRETT, JR.

MEMORIAL SERVICE

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

March 7, 1980



Memorial Service

for

Former Chairman

Ray Garrett, Jr.

Friday, March 7, 1980

3:30 p.m.

Commission Meeting Room

CONTENTS

INTRODUCTION

<i>Stanley Sporkin</i>	1
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SPEAKERS

<i>Harold M. Williams</i>	3
<i>Ralph Demmler</i>	5
<i>A. A. Sommer, Jr.</i>	6
<i>Harvey L. Pitt</i>	9
<i>Ralph C. Ferrara</i>	11
<i>Gordon S. Macklin</i>	14
<i>Wallace E. Olson</i>	15
<i>Lloyd W. Bowers</i>	16
<i>Philip A. Loomis, Jr.</i>	18
<i>John R. Evans</i>	20
<i>Irving M. Pollack</i>	22

INTRODUCTION

STANLEY SPORKIN

*Director, Division of Enforcement, Securities and Exchange
Commission*

On Friday, March 7, 1980, at 3:30 p.m. in the afternoon, an important and unprecedented meeting of the Securities and Exchange Commission was called to order. It was a meeting of great moment, and the entire Commission meeting room was filled with persons from throughout the United States. It was held to honor the memory of its beloved former staff member and Chairman, Ray Garrett, Jr. who died on Sunday, February 3, 1980, at the age of 59. Those in attendance included Mrs. Garrett, their daughter, Anne, and many of Ray's friends and former colleagues, including prominent members of the securities industry and bar as well as a number of persons who had served on the Commission's staff with Ray.

There are not enough superlatives to adequately describe Ray Garrett and what he meant to so many of those whose lives he touched. He was massive in mind and physical size but gentle in heart. Ray did things because he believed they were the right things to do. He was always an extremely approachable person, and at all times you knew exactly where you stood with him.

To say he was beloved by many is to understate the true love affair that existed between Ray Garrett and those who were fortunate enough to know him well. It was to capture and memorialize these sentiments that the Commission's service in honor of Ray Garrett's memory was convened. Ray was to have been one of the key participants in the SEC Speaks program held on March 7 and 8, 1980. Accordingly, it was deemed to be appropriate to dedicate that program to his memory and also to hold a memorial service in his honor at the Commission as a coordinated part of that program.

Chairman Harold Williams, a former law school classmate of Ray's, in opening the memorial ceremony reflected on the important accomplishments of the Commission under Ray Garrett's Chairmanship and of Ray's constant preoccupation with insuring the continued well-being of the securities industry in his capacity as a member of the private bar. The Commission then received very warm and personal remarks presented by seven former colleagues and close friends of Ray. The other Commissioners, all of whom had served with Ray during his tenure as Chairman, thereafter responded in kind. The proceedings were transcribed and are included in this booklet to memorialize our great fallen leader.

March 1980

SPEAKERS

HAROLD M. WILLIAMS

Chairman, Securities and Exchange Commission

The Commission has convened this afternoon to honor the memory of one of the most respected of its former Chairmen—Ray Garrett, Jr. Ray's untimely death on February 3 was a loss to each of us who knew him as a friend and a colleague and, in my case, as a classmate. With his passing, the legal profession has lost a gifted and honored member. Similarly, the Commission has lost one of its most dedicated friends and supporters, and what John Gardner called the "loving critics" so essential to the self-renewal of societal institutions. And, most importantly, those who knew him, worked with him, and loved him have lost a very special human being. We will miss his wisdom, his counsel, and his friendship.

Ray joined the Commission's staff in 1954 and served for several years as Director of the Division of Corporate Regulation. He left the Commission in 1958 for a distinguished career in private practice. He returned to government as Chairman of the Commission in August of 1973. His term as Chairman has been described as a period of unprecedented change in the securities industry and at the Commission. For example, his tenure witnessed the unfixing of Commission rates, the birth of the 1975 amendments to the Securities Exchange Act, the beginnings of the management fraud program which ultimately culminated in the Foreign Corrupt Practices Act, and many other important developments. Beyond these specific accomplishments, his integrity and ideals helped to see the Commission through a period during which the Watergate scandal cast a shadow on much of government, including the SEC.

Ray Garrett's public service was not, however, confined to his term as Chairman of the Commission. At the time of his death, for example, he was Vice Chairman of the Public Oversight Board of the American Institute of Certified Public Accountants. In addition, he was active in a wide variety of bar groups, was a consultant to the reporter for the American Law Institute's project to codify the federal securities laws, served as a public governor of the National Association of Securities Dealers, was a member of the Legal Advisory Committee to the Board of Directors of the New York Stock Exchange, and contributed unselfishly of his time and talent in numerous other positions of public service.

Ray was sought out for both public and private posts because of the special blend of wisdom, fairness, and integrity which he brought to every job. Ray was always his own man—yet he knew when to stand firm and when to defer to the views of others. He was an articulate and forceful advocate for what he believed right—yet he had a unique ability to tell people what they didn't want to hear in a way which they could accept. And, above all, he retained a very special sense of humor and perspective, including an ability to laugh at himself—a quality indispensable to a sense of balance which in turn is so vital to effective and reasoned thought and action.

Both as a public official and as a member of the private bar, Ray Garrett made permanent contributions to the development of the federal securities laws. He was, however, much more than a master legal craftsman. Ray was a member of a far rarer breed—the philosopher-lawyer. He was able to step back and see the law in its societal context and to appreciate its role in the larger mosaic of our culture. It is through the vision of those few who are blessed with that broader perspective that the law is able to grow.

Despite Ray's special gifts as a lawyer and public servant, most of those in this room today will remember him, not primarily as a talented and prominent member of the securities bar or as a respected Chairman of this Commission. His memory will be primarily cherished as a friend and teacher to those who had the privilege to know him and work with him. For that reason, it is fitting that some of Ray's friends and colleagues are present here today to share with us their remembrances of Ray and to pay tribute to him. I would like to turn first to Ralph Demmler.

RALPH DEMMLER

Former Chairman, Securities and Exchange Commission

Mr. Chairman and Members of the Commission: The Book of Job tells us, "The Lord gave and the Lord hath taken away. Blessed be the name of the Lord."

Despite this scriptural admonition to be reconciled to loss, there is no one here who does not wish that Ray Garrett's unusually useful life had been prolonged for another score of years. If all lawyers were like Ray Garrett, the bar would not need a code of professional responsibility, nor would this Commission need a Rule 2(e).

I first met Ray in 1954 during an American Bar Association convention in Chicago on a hot Sunday afternoon. That was the day I persuaded him to come to the Commission as Associate Director of the Division of Corporate Regulation. At that time, Ray was impressively articulate with his resonant voice; he was pleasantly self-confident; he exuded mental keenness and moral integrity, and he radiated energy. I last saw Ray in November 1979 at a meeting of a group discussing the proposed securities code, and at that time, Ray was impressively articulate with his resonant voice; he was pleasantly self-confident; he exuded mental keenness and moral integrity, and he radiated energy. In other words, with the passage of twenty-five years, the real inner Ray had not changed.

In those twenty-five years he compiled a distinguished record of public service and of honorable, effective private practice. The first phase of that public service was as Associate Director of Corp. Reg. He was no shrinking violet in that position, but neither was he overbearing or abrasive. He was instantly received by the staff as an intellectually congenial co-worker; and, remember, he was brought in from the outside to occupy a senior position. He learned the work fast. He was just plain good. There were still issues under the Holding Company Act in which there were intra-staff disagreements and disagreements among the Commissioners. Ray argued strongly for what he believed. When the Commission agreed with him, he was a gracious victor; if it disagreed, he did not sulk in defeat.

Ray became Director of the Division in 1956 and Associate Executive Director of the Commission in 1957. Others can speak with more familiarity than I of his work in those capacities. I know enough about it, though, to say that he grew with experience and that he left the Commission in 1958 with the admiration and respect of the public and the regulated businesses and the admiration, respect and affection of the Commission and the staff.

I will not speak of his subsequent work in private practice, his work on American Bar Association committees, or as a consultant on the American Law Institute's securities code project, and of the numerous other private and public duties which he undertook and which the Chairman has mentioned; nor will I speak of the universal approbation which greeted his appointment as Chairman of this Commission, and of the energy, integrity and effectiveness with which he discharged the duties of that office. I can only say, if I may be pardoned, that one of the things in my life of which I am most proud is that I had a part in putting Ray's foot on the first rung of the ladder of fame in the administration of the securities laws. And we can all say, "Well done, thou good and faithful servant."

A. A. SOMMER, JR.

Former Commissioner, Securities and Exchange Commission

Mr. Chairman, Members of the Commission, Ginger and Annie, fellow friends of Ray Garrett:

It was just six years and seven months ago today that Ray sat for the first time in the chair occupied today by Chairman Williams, and I sat in the chair that is vacant here today. Ray was where he was because of sheer patriotism and self-sacrifice. When he had first been asked to become Chairman of the Commission, he had turned it down because of his unwillingness to leave behind in Chicago an aging mother, a wife, a family life, a firm of which he was a terribly important part. He reconsidered and accepted only when General Haig called him and appealed to his patriotic instincts and urged him, as an American, which Ray al-

ways was pre-eminently, that he should again sacrifice on behalf of his country.

I came under perhaps less auspicious circumstances. Ray called me after I had been asked by the White House to serve on the Commission, and instead of appealing to my patriotism, which I hope was sufficient, he suggested that he and Phil Loomis and I could have *fun* if I came to the Commission. It was not that he didn't think that Hugh Owens and John Evans would be *fun* but we didn't know them quite as well. In any event, by accepting the invitation of the White House at the urging of Ray, my life obviously changed radically, and all for the better; and certainly it provided me with the most delightful experiences of my life as a member of the Commission, but more particularly as Ray's close colleague.

Ray was a big man in so many ways; he was bigger than life, bigger than most of us ever aspire to be. I remember that once he told me that any good lawyer could be a good leader. I disputed that with him sharply, but certainly Ray was a great lawyer and a great leader. He did not lead this Commission and the staff successfully simply because the President had signed a piece of paper that said he was to be the Chairman; he didn't lead by bullying, pounding the table, asserting his authority. He led, pure and simple, because he was a great lawyer and a great human being. He had absolutely invincible integrity. He was persuasive and logical, and he had force of character. And he was always pre-eminently a gentleman, even when some of his more "obstreperous" colleagues disputed him.

I can only remember a couple of occasions in which that restraint and gentlemanliness left him. I remember one time when we arrived at the Commission table—maybe Irv and John will remember, too—and discovered things that a few days before had been humorous and delightful suddenly were totally unacceptable to Ray. Only later did we realize that he had decided to forego martinis and cigarettes; until he reverted to old habits we had some tense moments.

The other time was when a fellow who was the head of the GSA persisted in communicating with him by signing only his last name. Ray felt very strongly about people who signed only their last name, just as he felt strongly about anybody who called him Raymond Garrett. In any event that was an especially sore point since that fellow proposed to exile the Commission to Buzzards'

Point, which I think many people will remember. If ever Ray's leadership was demonstrated, it was certainly in that. It was a remarkable and perhaps unprecedented achievement: the head of the GSA was overruled by OMB, and the Commission stayed here in these happy quarters.

Ray was a man who had a great flexibility of mind, a great capacity to be persuaded, as well as a great capacity to lead. When he arrived at the Commission he was far from persuaded that the death knell of fixed commissions was upon us. And yet, after hearing all of the arguments and all of the sides, he led the Commission in that momentous decision, just as he led it, after a good deal of reservation again, in developing the Commission's role in the disclosure of overseas payments.

Buzzards' Point provided, incidentally, about the only occasion I can think of when I saw Ray's aplomb somewhat shaken. A malevolent colleague—and I will identify that as myself so that Irv, John and Phil don't suffer the onus of this—on the occasion when Rod Hills was sworn in in the Rose Garden of the White House, suggested to Congressman Bill Stuckey— at this time the Buzzards' Point matter was just about at its most heated—that he—who, as you may recall, has a broad Georgia accent and a delightful sense of humor—should walk over and tell Ray of a "plan" he had. He went over and said to Ray, "Ray, you know you have been an absolutely marvelous Chairman, and I think that in some fashion your tenure at the Commission should be immortalized so that other generations may recognize it. On Monday I am proposing legislation in the House to rename Buzzards' Point 'Garrett's Point'." I must say that was the only occasion I saw Ray momentarily speechless—but he quickly recovered when we all laughed.

As Chairman Williams has pointed out, when Ray left the Commission he did not cease his role of leadership in securities law or in the securities industry, but he served well in many capacities, and many of us were happy to continue to follow him.

It seems to me that the words of Justice Bradley described Ray about as well as anything I've encountered. He described a lawyer as having the need to have these characteristics: . . . "incorruptible integrity and a high sense of honor. The true lawyer cannot but be the highest style of a man, fit for any position of trust, public or private, one to whom the community can look up to as a leader and guide, fit to judge and to rule in the highest places of magis-

tracy and government, an honor to himself, an honor to his kind.”

Another lawyer, Harrison Tweed, in speaking of lawyers in general, said, “I have a high opinion of lawyers. With all their faults they stack up well against those in every other occupation or profession. They are better to work with, or play with, or fight with, or drink with than most other varieties of mankind.” And I think we can personalize that. Ray Garrett was more fun to work with, and fight with, and drink with, than anybody I have ever known.

In the simplest terms, I think we can say that in the history of this Commission there have been many people with great heart and mind and spirit here, but certainly none of them has ever surpassed, in those years, the mind and heart and goodness and spirit of Ray Garrett. I guess every life in this room has in some way been enriched by having been touched by Ray, and I guess the lives of all of us are going to be a little poorer because he's gone.

HARVEY L. PITT

Former General Counsel, Securities and Exchange Commission

This memorial service, although somewhat unique in the Commission's annals, is nevertheless quite fitting because Ray so epitomized all that is good about the Commission and all that for which the Commission and its staff ought to stand. I have already written in more detail about my remembrances of Ray's tenure as Chairman of the Commission, and the Chairman's Office has been thoughtful enough to distribute those comments this afternoon. Accordingly, I will not repeat my written comments; instead I should like to spend a few brief moments reflecting on some of the impressions with which Ray left me.

I had the pleasure of knowing Ray in a diverse number of contexts—both professionally and personally, both within the Commission and without, both during his tenure as the Commission's Chairman and after. I met him first in 1973, when he became Chairman and asked me if I would serve as his Executive Assistant; after a remarkably short period of time it was clear to both of us that we had known each other for much longer than the few weeks that were involved.

As a lawyer he was awesome, even intimidating at times, without ever intending to be. He could reduce the complexities of any legal issue to manageable form, and his judgments and insights were invariably impeccable. As someone who struggled and worked hard to master an issue, I often found myself starting to explain some fine legal point to Ray, only to discover that he not only had grasped my point, but that he was already five steps ahead of me, asking very probing questions to which I had not yet addressed myself. He was, in short, a marvelous teacher and a spectacular lawyer.

As Chairman of the Commission, he was a dominant, but never dominating, force. Those privileged to sit at the Commission "Table," or those like me who, in those days, sat in the "back benches" and whispered about what the Commissioners should have been doing, were treated to an unmatched performance of humor, intellect, scholarship, camaraderie and, perhaps most importantly, wisdom and judgment.

Typically, Ray was once interviewed early in his tenure by a reporter for *Fortune Magazine*. The reporter asked Ray how he would like to be remembered after he had finished his term as Chairman of the Commission. Ray responded that he would like to "be thought of as hard working, honest and, on balance, as having done more good than harm." That response, like so many other remarks by Ray about himself, combined humor and a finely-honed sense of understatement, despite his outstanding skills and capacities. He never lost the capacity to poke fun at himself.

On a personal plane, Ray was extraordinary. He had no airs, no illusions, no pretensions and no stuffiness. I know that he took a personal interest in my life and the lives of those who worked with him. Indeed, few of you may realize that Ray could attempt a full repertoire of Sesame Street songs with almost as much proficiency as he could write an indenture.

Ray's warmth, enthusiasm, fairness, and love were contagious and uplifting. His dignity and substance were inspiring. He was a beautiful and a special person, and I know that I will never stop missing him.

RALPH C. FERRARA

General Counsel, Securities and Exchange Commission

Early in his career Ray explained to an audience here in Washington—at a PLI program that I attended as a young staff attorney—that one of the reasons he accepted the position of Chairman of the Commission was that his appearances on the private-practice-lecture-circuit had become a bit too demanding and he thought it might be nice to settle down, finally, in a job where he would have no alternative but to sit at his desk, help shape policy and leave the speechmaking to others.

He said that when he used to watch his predecessors from his quarters in Chicago, he had made a resolve that if he ever became Chairman of the SEC, he would not be running around talking so much—especially before he had anything to say. He quipped, however, that resistance to pleasant temptation was not one of his stronger traits.

And that it wasn't just the temptation to talk too much that he found dangerous. It was also the temptation to make news either through some profound policy statement or something exciting. He said he found both of these are rather easy to do if you did not care too much about results. With a little effort, he said, he could be profound once a week, but to do so without being repetitive would result in enormous confusion.

It was even easier, he said, to be newsworthy by being exciting, such as through saying something very careless. But he concluded that although headlines were fun, he would try to avoid either too much profundity or too much carelessness.

Well, recognizing the inherent dangers in too much speechmaking, why did Ray take the risk to speak out time, and time, and time, and time again? Probably because he had an extraordinary sensitivity to the general state of the morale of those whom the Commission comes in contact with, and a genuine need to reach out to the community and share his sense of the public interest with those with whom he met.

Midway through his career he commented before an industry conference in San Diego at the "Dell", as he liked to call it, that some days he felt as though he were conducting a counselling, or

perhaps a consoling, service. He said that sometimes when patience ran a bit thin toward the close of the day, he was inclined to remind a visitor that he had troubles of his own and things are tough all over.

But he went out again and again because he believed, as he said, that catharsis does, indeed, play a role in government. While a little bit of sugar helps the medicine go down—at least in the nursery—he said, a little bit of spit-in-the-eye may help more among men of spirit.

Ray said he thought it was easy to regulate an industry that was doing well and acting fat and sassy, but that it was quite different to regulate industries that are not doing so well. He lamented that one comes to wish that he had far more power than he ever did, and of a different kind, of a kind no regulatory agency can ever have. He said one wishes he had the power to order the securities industry at large to get well. He wanted to say, "Be prosperous. Our laws are intended to cause you to be fair and honest and to be true to your obligations to the ordinary investor, but not to be poor, unprofitable and unsuccessful." He had that desire, "not just to be nice," he said, "but because of the creeping effect on our society of too much despondency from too many quarters." It was that sense of despondency and those not-to-be-believed developments of Watergate that brought him out again and again.

It was that latter matter, the constitutional crisis in Government, as he called it, that brought Ray to his feet one day to comment that most reporters seemed baffled that he would take the job as SEC Chairman when he did and kept searching for reasons. But he reassured those who asked that it was not a bad time to go to Washington, and especially not a bad time to go with the SEC. As citizens, we at the SEC, he stated to his audience, were not indifferent to the near-daily revelations in the press. But he told them that we just didn't discuss the subject at the office.

He railed at reports in newspapers describing a sort of massive paralysis in the federal government, as though everyone in Washington had stopped work and was waiting in bewilderment for the impeachment crisis to be resolved. He said that this did not at all describe that part of the government that he could see. Rather, he said that he saw that in many parts of the government, if not all, there was a special sense of dedication and responsibility—an awareness of the deep concern that so many citizens feel about

their government, and a determination to keep things going in our respective areas of concern. And indeed Ray did that at the SEC.

But he was more than a Chairman concerned with the securities industry, and more than just another concerned public official in Washington at a time of uncertainty. He was very especially and deeply a part of the tradition of the SEC, and that is what brings us all here today. And, this being a Commission meeting and myself rarely being without something to recommend at such events, I have two proposals to offer here today.

Let me give you the background for the first: I can remember the delight Ray took in reporting on what he called "a gathering of the old boys" one evening some months after he arrived. Manny Cohen organized it all, and Ray found it to be great fun. Ray said that some 13 former Commissioners made the scene, along with such former staffers— from what they like to regard as the "Classical Period" as Milt Freeman, Milt Kroll, Allen Throop, Mort Yohalem, Louis Loss, and Harry Heller. The Classical Period, Ray said, had not been defined with precision, but there are certain ways to establish a claim to have been part of it.

First, he said, you have to be able, with some semblance of veracity, to recall fondly your first office in the old ICC building at 17th and Pennsylvania, or the in-house parties that Sumner Pike used to throw, or how you drafted Rule 10b-5, or worked on the famous Note to Form E which grew, more or less, into Rule 133.

He continued that the Classical Period pretty clearly extended into the move to Philadelphia—at least the early days there—and that you could qualify for a junior membership by remembering your office at the Penn A.C., and strolling by Rittenhouse Square to the Carlyle to hoist a few on some utility lawyer's expense account—at least until *Life* magazine sent a photographer into the barroom.

He said that the tarpaper shack on Second Street was a romantic place in his memory, but it clearly wasn't Classical—Middle Period, perhaps—if only because the people who worked there had never been any match in the conversational combat for 17th and Pennsylvania and Penn A.C. types.

So, at such gatherings, he said he was always one-upped, and he grudgingly acknowledged his utter inability to crash the upper ranks. Well, we have been accused of doing things by fiat at this table before, and I urge that we vote Ray by acclamation into

those upper ranks. Wherever those reminiscences are going on now, Manny and Mort should not have that one to hold over Ray for all eternity.

And, as my second proposal, Ray once said that when he became Chairman of the SEC, his family wondered what they were now supposed to call him, at least in public. Well, he said, somberly, that he did not believe there was any law on the subject, but that the custom was to address all SEC Commissioners as "Honorable." He said that he could have easily forgiven them a little whimsy on receiving this information. But he felt that the degree of their amusement was wholly uncalled for. As he tried to explain, the appellation is at best an expression of presumption and hope, and the user is not under oath.

Well, nonetheless he undertook that oath, and we should vote him as forever, "The Honorable Ray Garrett" in this forum.

GORDON S. MACKLIN

President, National Association of Securities Dealers, Inc.

You can't imagine how pleased we were when Ray Garrett agreed to serve a three-year term as a member of our Board of Governors. His willingness to volunteer a substantial amount of his valuable time to Association matters was thoroughly appreciated by almost everyone connected with our organization. There were still, however, a few skeptics. "Good grief!", they thought. "A former SEC Chairman? The one who did away with fixed commissions? We are keeping company with the enemy!" The skeptics and the doubters were no match for Ray Garrett. His remarkable skill and warm human side quickly melted the dissenters.

He approached every issue with a brilliant and open mind. They found him to be an ardent supporter of what most businessmen feel is the American way of life. His faith in the profit system, however, did not pre-empt his belief that we all have an obligation to conduct our activities with integrity.

You shouldn't be surprised to know what Ray's approach to a particular question was often different from that of our Governors actually engaged in the securities business. His unique back-

ground was extremely helpful on the most complicated issues and he often led us on the path to better solutions. He was particularly valuable, for example, with the Board's discussions of corporate governance and underwriting rules. He was most effective in preventing the Association from suing the SEC over expanding AMEX listings.

He had a great sense of humor. For example, during one meeting when the Board was agonizing over the cost of legal services, Ray audibly expressed the view that "The money you pay attorneys will pave the road to heaven." All of the Governors considered it a privilege at Board meetings to share his company. He was a total man who had the ability to enjoy life while carrying a heavy work load.

Thus, from our point of view, Ray was ideal. Brilliant, articulate, persuasive, and sensitive to other people. After his term expired, we continued to retain him both professionally and as a volunteer member of our Long Range Planning Committee. While it is often said that no one is indispensable, in Ray's case, the jury is still out. We respected him and loved him and thus we truly appreciate the invitation to take part in this memorial.

WALLACE E. OLSON

President, American Institute of Certified Public Accountants

Mr. Chairman, Members of the Commission, family and friends of Ray Garrett: I'm certain that each of us has experienced the feeling of pleasure and exhilaration on meeting and working with an individual that has an unusual combination of qualities such as brilliant intellect, sparkling wit, humility, integrity, fairness, and being an all-round, down-to-earth human being. Ray was just such a person. He continues to be such a person in our many memories of him. His life's work has touched us all, and I believe that he lives in each of us who had the privilege to know him and to work with him.

As I knew Ray, he had a great capacity to reduce very complex subjects to simple, understandable terms. I can recall when he was the Chairman of the Commission; and when he was making speeches that Ralph referred to, in reading those speeches I mar-

velled at their clarity. To me Ray was that rare person who was capable of being simultaneously both a lawyer's lawyer and a layman's lawyer. And more than that, he had a complete grasp of the public accounting profession; and, indeed, he did very much to support that profession. His most recent service as Vice Chairman of the Accounting Profession's Public Oversight Board was crucial to bridging the understanding and the relationships between the accounting profession and the Federal Government. Certainly the legal profession and the securities bar have suffered a great loss, but exactly the same thing can be said of the accounting profession. As others have observed, it's virtually impossible to convey in words all the wonderful qualities that made the whole man that was Ray Garrett. How can one possibly describe the mischievous smile that often lit up his face and his twinkling eyes and all the other aspects of Ray.

Ray was far greater than the sum of his individual qualities. I believe that he was a giant in our part of the world and I, for one, feel very proud to have known him, and very humble in the knowledge of his tremendous capabilities. I can only say that I regret that I lack the eloquence to do him full justice in this memorial service.

LLOYD W. BOWERS

Partner, Gardner, Carton & Douglas

I am very flattered to have been asked to speak on this occasion. Those who have preceded me knew Ray in the Washington environment where he was widely acclaimed for his able and courageous conduct as Chairman of the Commission. I knew Ray in Chicago in the private practice. In the few years since he left Washington he had become one of the nation's most respected practitioners and it is certain that had he lived his name would have become a household word among members of the bar. Ray never sought fame, but it deservedly came to him and he wore it with grace. It never affected his relationships. Friends of less exalted station were just as important to him as those who were in the public eye. He never slighted the former to curry favor with the latter and commitments to either group were scrupulously ob-

served. When Ray finally agreed to accept the Chairmanship, General Haig asked him to go to San Clemente to meet the President the following day, a Thursday. Ray declined because he had committed to make a talk. General Haig then asked him to go out on Friday. Again Ray declined because he and his wife were entertaining friends that evening. He did go on Saturday. Ray's action in this instance was in no sense disrespectful of the President but rather it exemplified the quality of a man whose head could not be turned by fame or flattery and to whom commitments made were important and not easily put aside.

In the early days of our friendship, Ray and I had many lunches and dinners together. Unfortunately, in the last years his schedule was such that he had far less opportunity for a non-business meal. I hope he missed them as much as I did. There was never a better companion. With him, conversation never lagged and he was never dull. He had a view on every subject but never forced it on you. How often you found that his quiet, persuasive manner had changed your position and yet you felt no injury to your ego. I particularly remember that Ray was the best audience for a joke I have ever known. His body would shake and his eyes fill with tears. What satisfaction there is in such appreciation. Speaking of his body shaking reminds me that Ray did put on a few pounds and then he became quite mod letting his hair grow so that his beaming countenance was wreathed with unkempt curls. My wife, who had a yen for Ray, observed him one day- his portly figure, fringe of hair and glasses perched on his nose. She told him he reminded her of that endearing victorian, Mr. Pickwick, which rather pleased him.

I am proud to say that Ray never practiced with any firm but Gardner, Carton & Douglas. Fortunately for us the Chicago firm of which his father was a partner, had the rule against hiring relatives. But I assure you we were never complacent about Ray's staying with us. Ray loved to teach and I think that if it were not for financial considerations he might well have ended up at a law school. As we all know he did teach part-time for a number of years and those of his students at Northwestern law school that I have met have all said he was the best. I think that Ray in his last years had a truly satisfying professional life. He had an exciting and varied practice and he did teach, for he had a devoted band of younger men who worked with him on the many and difficult problems which came to him from all over the country. These

men were very close to him and they had affection, admiration and respect for him as teacher and friend that would be hard to match.

With loyal and able cohorts Ray, in the last few years, was able to take time off to travel with his wife, Virginia, and to tackle the game of golf. As in all his endeavors he enjoyed himself but part of the joy was doing it well. The last time I played with him he shot a net 33 on the first nine holes which I felt was most unfair and perhaps my dismay made him let up a little on the next nine.

One could go on about Ray and evoke a smile and a tear from those fortunate enough to have known him. His brilliance, wisdom, compassion, his simplicity and so many other wonderful qualities are nice to dwell on, but in my memory I want to retain the joy of being with him, the warmth of his presence. For the rest of my life I shall miss him and for the rest of my life I shall be happy to have shared a part of my life with him.

You will be interested to know that our firm is planning to sponsor a memorial to Ray. I do not know what form it will take, but it will perpetuate his name in the field of law and it will give an opportunity for all who knew him to contribute to the recognition he richly deserves.

PHILIP A. LOOMIS, JR.

Commissioner, Securities and Exchange Commission

I will not detain you long because much has been said more eloquently than I could about a truly wonderful person.

I first came to know Ray when, as Ralph Demmler said, he came here in 1954; I came about the same time. The Commission was a smaller organization then; and, although I had little to do with his Division, I came to know him; and very quickly we became good friends. That's the type of man he was.

We were all much younger then, perhaps more enthusiastic; and he was filled with enthusiasm for doing his work at the Commission as well as he could and, as Ralph Demmler said, he was highly valued even after he had only been with the Commission for a short period. And everybody on the staff, I observed with envy, admired him and respected him and enjoyed him. He left in

1958. I had the feeling then that he left with some regret. He enjoyed the work at the Commission, but he wanted to get back to the practice of law at which he was so superb. I had had contacts with him in the intervening period before he came again to us, and maintained our friendship because I felt it was something I would have to do. I visited him in his Chicago office every now and again when I got near Chicago.

Then, in a very troubled time for the Commission, when the problems of the Watergate overflow, or backlash, or whatever you may call it, had created a problem here, we learned that Ray Garrett was coming back as Chairman. And I remember the enthusiasm, the uplift that it gave to everybody to know that in this troubled period we would have a man of this stature coming to lead this Commission. It was something to behold. There was almost rejoicing and singing in the streets that he was coming back, and he did; and he was a superb leader.

It was a pleasure to sit at the Commission table with him. He was in charge, but he never pressed or pulled rank or anything of that kind. He stated his views, he respected other people's views; he kept the Commission together without suppressing anybody. He was honored and respected by the staff, who were so happy to have him; and he steered the Commission through a very difficult period and eliminated the problems and suspicions that had existed in the troubled period before he came.

As has been said, he led the Commission in various important actions, such as the un-fixed commission rate. He initially was not very sympathetic to it, but he came around and led it magnificently.

As has been mentioned, with his abundance of energy, his work at the Commission could not deter him from going out and making speeches. Sometimes I wondered how on earth he did all that he did at the Commission and still had time to go out and forge links with the bar and the industry and explain what we were doing and why we were doing it. But one thing about him I remember most: he was such fun to be with, and that was partly because of his understanding and kindness to other people, all people, high in the ranks of the organization or not. He cared for other people very much. He did a great deal for me, and there are others who can say the same.

When, inevitably, he returned to private practice, his place as Chairman was secure among the great Chairmen of the Commis-

sion. After that, it has been pointed out, he took a leadership role in numerous matters relating to the securities markets; and he had a statesman's view of the industry, not a narrow view. In the controversies about handling various matters, he always was on the side of the public interest, whomever he was representing. There were so many characteristics that he had that he must go down as a wonderful, extraordinary, and beloved person.

JOHN R. EVANS

Commissioner, Securities and Exchange Commission

My thoughts today are drawn primarily to experiences that I had along with many others shared with Ray from August of 1973 through October of 1975, while he served as Chairman of this Commission.

During that period, many important events took place, such as the unfixing of brokerage commission rates, the so-called fraud program, and the enactment of the Securities Amendments of 1975. But it's not these things for which I remember Ray.

I was most impressed with his approach to decision-making and leadership, and his loyalty to the SEC, its purposes, and those with whom he served. Ray was quick to call on the expertise of members of the staff and other members of the Commission. Because he trusted and supported the judgment of others, I believe we all tried more diligently to maintain an excellence that would merit such trust.

Ray welcomed the expression of diverse points of view from the staff and from other Commission members. He could be persuaded by reasoning, but even when there were strong, irreconcilable differences, he always respected those who differed with him and in so doing, earned their respect. On one occasion, after a lengthy discussion, it was obvious to Ray that a majority of the Commission did not agree with his position. He had to leave for another appointment before the discussion was completed and in excusing himself he said that he thought we were wrong, but, if he could not convince us of that, he would abide by our decision. Moreover, when called upon to represent the Commission, he strongly defended positions with which he had personally disagreed; and to me that takes a great person.

Ray encouraged excellence and independence and helped develop a rapport between the Commission and the staff in which we all participated in discussions as equals even though everyone knew that the final decision lay with the Commissioners. He never intimated that his judgment was superior to that of others. As a result staff and Commission members worked long hours on difficult problems, not just out of a sense of duty, but because of a personal satisfaction and a feeling of making an important contribution to the fulfillment of the Commission's purposes.

I saw in Ray a deep love for people. There were many instances when he provided counsel and assistance with personal problems. These must go unmentioned because of their sensitive personal nature and because Ray would not want them to be made public, but those whose lives he touched knew well the many instances in which he made their lives better. He was willing to make sacrifices for the benefit of others. He laid his own position on the line in support of Irv Pollack to be a member of this Commission even though he knew that Irv's views differed from his own on some major issues facing the Commission.

Ray had self-confidence and yet humility. He was a scholar who sought professional excellence. He was also able to laugh at himself. I saw this exemplified most recently when a member of our staff undermined his argument in support of a provision of the American Law Institute's proposed securities code. Ray eased the tension and moved the discussion along by responding, "Let's see if I can save anything from this situation."

Ray brought honor to himself and to the Commission through his accomplishments as a private securities law practitioner and as a staff member and Chairman of the Commission, but I believe he will be remembered most because he was a decent, respectful person who loved his neighbor as himself.

IRVING M. POLLACK

Commissioner, Securities and Exchange Commission

As I sat here and listened to all the eloquent remarks, the one thought that stayed with me was what a shame it is that Ray Garrett was not here to use his eloquence and resonance that Ralph Demmler referred to, to really try to capture this unique human being.

Each of us has been touched in his own way; John has referred to my own situation. I was touched this morning when I spoke to Stan Sporkin, who participated in making these arrangements, who said he so much wanted to be here but the circumstances were such that he could not because of illness. I think that reaction perhaps typifies the intuitive feeling that Ray had for people and to which they reacted with warmth and loyalty and dedication and the desire to serve in the same way that Ray exemplified by his leadership. Both Phil and I were honored to be able to serve with Ray both on the staff in the 1950s and later on the Commission. He immediately was recognized as one of the brightest stars of what I can call the Demmler administration. And when he came back here as Chairman in a troublesome period, he immediately reestablished that bright star for this agency.

As I think about it, when the time for someone comes to move on, what is really important? How was he regarded? What has he accomplished, and what has he left behind him? And I think the remarks that we have had in this short session demonstrate beyond any words that any person could possibly articulate, that Ray left behind him treasures and memories that each of us in his own, individual way and generally will treasure forever. I expect the final word to be said is, "Ray, we will miss you."

HAROLD M. WILLIAMS

Before we adjourn, let's all stand for a moment of silence.

We stand adjourned.