

# SEC EMPLOYEE NEWS

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## Woodside Dies, 35th Commissioner

Byron D. Woodside, 75, former SEC Commissioner, died February 13 at Prince William Hospital in Manasses, Virginia, following a heart attack. Mr. Woodside was a resident of Haymarket, Virginia.

Mr. Woodside was on the Commission staff since its creation in 1934. He transferred from the Federal Trade Commission to continue working as Accounts Examiner in the area on securities registration when that function was transferred to the new agency. He was a graduate of the Wharton School of Finance (1929) and George Washington University (A.M. degree, 1933). In 1940 he was named Assistant Director of the Division of Corporation Finance.

In 1942 he moved with the Commission to Philadelphia, a city that in Mr. Woodside's view, did not welcome the SEC. "The day I arrived, a fire alarm went off and they evacuated the building," he recalled in an interview for an upcoming history of the SEC. "I heard a Philadelphia policeman say, 'They just moved in; now they want to burn the place down.'" He found the press no more cordial. "The newspapers referred to the SEC in the lower case," he noted. But Mr. Woodside took advantage of years in



Byron Woodside, SEC Commissioner from 7/15/60 - 4/30/67.

Philadelphia to attend Temple University; he earned an L.L.B. degree in 1946.

Only during the late 40s and early 50s was his SEC career interrupted. In 1948, he served for 14 months as a member of a commission working with the Army on the decartelization of Japanese industry. Beginning in December 1950, he worked for 17 months with the National Securities Resources Board and later with the Defense Production Administration as Assistant Deputy Administrator for resource expansion.

Mr. Woodside had been Director of Corporation Finance for eight years when

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Three OARS Employees Retire; Total 101 Years Service 10

## Commissioner Longstreth Resigns To Return To His Family In New York

*by Mary Teel, Office of Public Affairs*

Bevis Longstreth, 60th SEC Commissioner, resigned January 13 after 30 months in office to be with his family in New York City. On February 1, Mr. Longstreth announced he would return to his old law firm, Debevoise & Plimpton, in New York.

On his appointment, Mr. Longstreth committed himself to a maximum of three years at the SEC. He cut that short to be at home for the last six months before his oldest child leaves for college in the fall.

His departure leaves two vacancies on the Commission, the first created when Barbara Thomas resigned in November. President Reagan has indicated his intention to nominate Aulana Peters and Charles Marinaccio to fill the vacancies (See article in this issue).

"Bevis is an extraordinary attorney with an abiding interest in others," Chairman John Shad said. "He has had a profound effect on each of us. It would be difficult to cite a significant case, rule or regulatory initiative that does not bear his indelible imprint."

Many significant decisions were made

during Mr. Longstreth's brief years on the Commission. Those years saw the passage of Rule 415, the "shelf registration" rule, which allows one-time registration of new securities by public corporations, and the approval of new option products in a manner that encourages competition among securities firms.

But perhaps Mr. Longstreth's greatest accomplishment is being the driving force behind the Insider Trading Sanctions Act currently before Congress. That legislation, if enacted, will make anyone who uses inside information liable for treble damages. Mr. Longstreth was also a primary force in setting up the Tender Offer Advisory Committee.

Evidence of the depth of his commitment to and fascination with the SEC and its issues can be found in the 20 substantive speeches, the several New York Times and other newspaper commentaries and the lengthy review of Joel Seligman's history of the SEC (October 1983 Columbia Law Review), written by him while a member of the Commission.

Thoughtful, lucid and cogent, Mr. Longstreth's speeches analyze matters the Commission is concerned with. Typically

*See LONGSTRETH, p. 9*

# Ted Levine Resigns To Join D.C. Firm

Theodore A. Levine, 39, resigned on February 17 as Associate Director of the Division of Enforcement to become a partner of Wilmer, Cutler & Pickering, a Washington law firm.

"Ted is the finest securities lawyer in the country," Enforcement Director John Fedders said, "and a better person than he is a securities lawyer."

"Lawyers regarded Levine's move as a significant coup for Wilmer, Cutler," noted a January 23, 1984 Legal Times article.

Mr. Levine played a key role in the development of the Commission's nationwide enforcement program and a number of significant regulatory initiatives such as the corporate governance and tender offer proposals. He also contributed to reports to Congress developed by the staff on matters such as transactions in securities of the City of New York and the Silver Crisis of 1980. Among the hundreds of enforcement cases he participated in, were many landmark cases involving matters such as accounting fraud, questionable foreign payments, insider trading and the defining of a tender offer.

In 1976, with Stanley Sporkin and Ralph Ferrara, he helped prepare a 1000-page report evaluating the Federal Energy Administration's (now the Department of Energy) compliance and enforcement program, and recommending detailed changes to improve its effectiveness and efficiency.



Ted Levine (pictured) "is the finest securities lawyer in the country..." in John Fedders' opinion.

He contributed to the success of the continuing legal education programs and seminars of the Division of Enforcement as well as to securities lectures, seminars and other programs sponsored by outside securities law associations. With Ralph Ferrara, he created and developed the Student Observer Program in 1970 with one local law school student. By 1983, it benefited 60 law students from as far away as California who received credit for a semester's work at the SEC.

In 15 years at the Commission he received almost every award available to Commission staff members including the \$10,000 Presidential Rank Award in 1983.

In an interview since his departure, Mr. Levine said, "I miss the Commission. It is the finest agency in the government.

Its staff has been extremely talented--superb lawyers and even more importantly, persons who shared a common mission and purpose for the agency. The 1970s and early 1980s one may regard as its golden era, and I was pleased to be associated with the Commission at that time."

Over the years Mr. Levine taught law at two local law schools--Antioch Law School and Howard University of Law--and contributed many articles on securities law to various university law reviews and The Legal Times.

Mr. Levine joined the Commission in 1969 as a Trial Attorney in the Division of Trading and Markets, which became the Division of Enforcement in a 1971 reorganization. He rose through Branch Chief (1971), Assistant Director (1974) to Associate Director in 1978.

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## Albarado Gets \$2,650 for Suggestion

Gene A. Albarado, Staff Accountant with the Washington Regional Office, received \$2,650 for his suggestion that the Commission use preprinted Post-It Note Pads. The award, presented February 7, is the largest the SEC has ever given for an employee suggestion. It is estimated that the first year's use of the Post-It Note Pads in the Regions alone could save the Commission approximately \$65,000 a year.

The sheets from the Post-It Note Pads have adhesive backs and will adhere to paper but can easily be peeled off without damage to the document. The Post-It pads are already widely used in the private sector.

Specifically, Mr. Albarado suggested that POST-IT NOTE PADS be pre-printed "PLEASE COPY FOR THE U.S. SECURITIES AND EXCHANGE COMMISSION" and supplied to the Enforcement staff in the headquarters and regional offices for their use in place of paper clips in marking documents to be copied. He said the pads are particularly useful when, in connection with an SEC investigation, an SEC staff member is required to review and mark for copying large volumes of documents of accountants, brokerage firms, corporations or others at non-SEC offices.

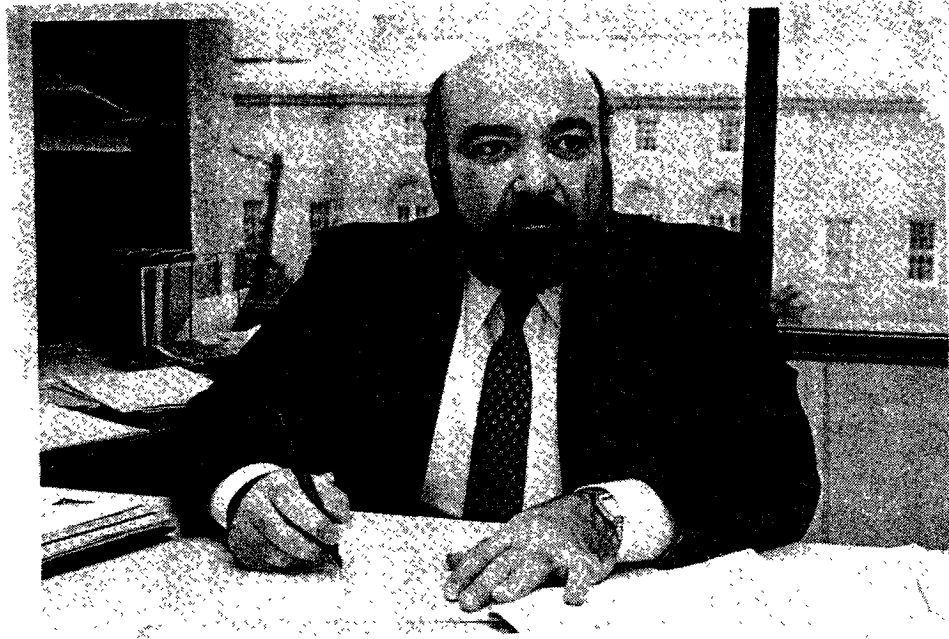
Mr. Albarado's duties as a staff accountant frequently require him to examine and mark for copying the official papers of persons or firms involved in an SEC investigation. Many SEC staff attorneys and other staff members are faced with the same task.

Mr. Albarado developed the sugges-

tion after several experiences where paper clips used to mark documents for copying on non-SEC premises fell off or were confused with paper clip markings of others. On one occasion re-marking 35 boxes of documents at a large accounting firm took an additional six hours. The firm had moved, disrupting the markings before copies could be made and sent to Mr. Albarado. Similarly, many paper clips marking a huge volume of documents of a Philadelphia city bank were lost before Mr. Albarado received his copies. In addition, some paper clips were added by others using the documents--and Mr. Albarado received 2000 documents he had not marked. This time he had to repeat the review of six file cabinets of documents. A similar incident occurred in the case of a Norfolk accounting firm. Mr. Albarado did not receive copies of documents he had requested and received at least 500 he had not requested. Other employees have undoubtedly experienced similar problems in copying documents in connection with SEC investigations.

The problem of lost or confused markings costs the SEC a considerable number of manhours each year for re-reviewing files, and travel expenses for employees to return to review sites.

In addition to the use of preprinted Post-It pads available from the Publications Office, the Commission's supply office now stocks unprinted Post-It Note pads. Their use is becoming widespread in Commission offices, where many employees have found them handy for jotting short notes about material being sent to another staff member.



*Irving Einhorn, new LARO Administrator.*

## Einhorn Named LARO Administrator

Irving M. Einhorn, 42, was named Regional Administrator for the Commission's Los Angeles Office on February 14. Mr. Einhorn, who was Assistant Chief Trial Attorney with the Division of Enforcement's Trial Unit, commenced his duties in Los Angeles on March 19. He succeeds Michael Stewart, who resigned to enter private practice.

Mr. Einhorn is very familiar with the work and responsibilities of regional offices. His career as a securities lawyer began in 1972 in the Chicago Regional Office, where he worked eight years. But, he acknowledges, "every regional office has its own types of enforcement and regulatory problems. There will be a transitional period, and it will take me a little while to get a foundation out there."

The Los Angeles Regional Office carries out the Commission's enforcement actions for the states of California, Arizona, Nevada, Hawaii and for Guam. Mr. Einhorn intends to be "very selective" in which enforcement cases the LARO pursues. "There has to be sufficient public interest at stake to justify the substantial time and effort that goes into bringing a case to trial," he said. "You must try cases selectively, looking for those that will have an impact and that will discourage further abuses. It is important to bring cases in which there is sufficient evidence to win."

As an Assistant Chief Trial Attorney in Enforcement, Mr. Einhorn acted as the

Division's counsel in administrative proceedings and represented the Commission in actions filed in the Federal District courts. As Los Angeles Regional Administrator, Mr. Einhorn said he will put aside his "first-love"-trial work- to oversee the conduct of litigation and proceedings. And he takes the job as top L.A. supervisor seriously. "When the staff works hard to turn out memorandum or other written work product, they deserve to have their efforts receive prompt review, and when they do a good job, they're going to hear about it from me," he declared. "I'm a strong believer in training and in teaching good work habits. I hope that, after I'm there for a period of time, the staff will find they're more professionally competent than when they came--and that will be because I made it a good place to work by providing them with opportunities to enhance their skills."

Mr. Einhorn joined the Commission in 1972 as a staff attorney in the Chicago Regional Office. He became a Branch Chief (Enforcement) in 1975 and Senior Trial Counsel in 1977. In 1980, he transferred to SEC's Division of Enforcement as Assistant Chief Trial Attorney.

Mr. Einhorn is a native of Philadelphia, Pennsylvania. He received a B.S. from Temple University in Philadelphia and a J.D. from Valparaiso University School of Law.

## Ira Lee Sorkin Will Be New NY Administrator

Ira Lee Sorkin, a New York securities lawyer, has been named Administrator of the New York Regional Office, effective May 1. He succeeds Donald Malawsky, who resigned to become Senior Vice President of the New York Stock Exchange (See article in this issue).

Mr. Sorkin, who is returning to the office where he began his legal career as a trial attorney 16 years ago, is a litigation partner with a New York law firm. His law practice has included securities, SEC enforcement, criminal defense and general commercial litigation. Prior to the private practice of law, Mr. Sorkin was the Deputy Chief of the Criminal Division of the U.S. Attorney's Office for the Southern District of New York. He spent over three years prosecuting securities fraud cases.

Mr. Sorkin earned his B.A. from Tulane University and completed his J.D. degree at George Washington University Law School.

An interview with Mr. Sorkin will be featured in the next issue of EMPLOYEE NEWS.

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## Llewellyn Young Dies, Former NY Administrator

Llewellyn P. Young, Administrator of the New York Regional Office from 1961 through 1966, died January 23, 1984, at his home in Dobbs Ferry, New York, of cancer. He was 60 years old.

Mr. Young was appointed as Administrator of the SEC's New York Office as part of the team of Chairman William L. Cary. Chairman Cary relied upon him to carry out the strong enforcement program that Cary subscribed to.

Before his appointment as Regional Administrator, Mr. Young was associated with Carter, Ledyard & Milburn, a New York law firm. Following the appointment, he became a partner in Francis I. Dupont & Co., a Wall Street brokerage firm, and later a vice president, secretary and counsel of the Bradford National Corporation, a computer and data processing concern.

He was a native of Newton, Massachusetts. Mr. Young graduated from Albany Academy, Haverford College and Yale Law School. During World War II, he served as a naval officer in the Pacific.

He is survived by his wife, the former Jean Johnson, and three daughters.

# SEC Headquarters Holds Black History Month Celebration

by Ernie Miller  
Office of Equal Employment Opportunity

"Black Americans and the Struggle for Excellence in Education" was the theme of the 58th Annual Black History Month, a national celebration of the role of Black Americans in all segments of life in this nation and in Black culture around the globe. Launched in 1926 by Dr. Carter G. Woodson, founder of the Association for the Study of Afro-American Life and History, Inc., Black History Month provides opportunities for everyone to gain a deeper understanding and knowledge of the diverse contributions of Black Americans to our country and the world.

On Friday, February 24th, the SEC Equal Employment Opportunity (EEO) Office sponsored the Commission's Fourth Annual Black History Month Heritage program in the Commission Meeting Room. The room was decorated with original batiks from Uganda. This display was prepared by Dick McGarr of Art Africa, a local business sponsoring the sale of African artifacts for the benefits of the citizens of Uganda. The EEO Office also prepared a display of famous Black Americans who contributed to the struggle for excellence in education for Black Americans.

The program opened with greetings from Ernie Miller of the EEO Office followed by selections from the SEC Choir, directed by Charles Thompson (OAS).

Next, Phil Savage presented a plaque to Mrs. Emma Isler, Teacher of the Year for the District of Columbia for her contributions towards excellence in education at Banneker High School.

Recognition was also given to Rodney Moore, the 1984 winner of the Velma B. Johnson Oratorical Essay Contest. Rodney, a student at Kelly Miller Jr. High School, presented his prize winning speech and received a standing ovation for his efforts.

African music and dances were presented by Djimo Kouyate, "Griot" and the memory of African culture. An explanation of the music and dances was given to enhance everyone's understanding. Additional entertainment was provided by the Bill Harris Ensemble, a Baltimore group featuring pop, soul, jazz, and gospel music and songs by Bill Harris, Jenelle Fisher and Charles Arnett (pianist).

Terri Spann (ISM), presented an invigorating speech on the struggle for excellence in education.

Closing remarks for the program were made by George Kundahl, Executive Director.

The M.C. for the program was Vina Blanks (ES).

In addition to this observance, a film entitled "The Life of Benjamin Banneker" was presented on February 17th. Banneker, a Black mathematician, redrew and put into operation the plans for the city of Washington, D.C. originally designed by the French architect, L'Enfant.

Activities for this year's program were planned by Tony Walker (ISM), Michelle Walker (CF), Jackie Walker (CF), Terri Spann (ISM), James Davis (AS), Vina Blanks (ES), and Ernie Miller (EEO).



Executive Director George Kundahl speaks at Black History Celebration.



Emma Isler, Banneker High School teacher, receives "Teacher of the Year" award from EEO Director Philip Savage.



Rodney Moore, Kelly Miller Jr. High student, reads his prize winning essay.

# Andy Rothman, OPA Director, Resigns For Corp. Communications Position

Andrew Rothman, Director of the Office of Public Affairs, resigned in March to accept the position of Director of Corporate Communications at Advanced Micro Devices, a Sunnyvale, California manufacturer of semiconductors. Mr. Rothman was the third and longest-term director of the Public Affairs Office. Mary M. McCue succeeds him as head of Public Affairs (See story in this issue).

Mr. Rothman was the Commission's chief spokesman to the news media and was responsible for designing and managing the Commission's press and public relations program. To that end, he greatly expanded the scope of the Commission's contacts with the financial and general press, and redesigned the Commission's press relations policies and procedures guidelines. From July 1976 until March 1979 he held the additional responsibility of directing the Commission's congressional relations program and served as its principal legislative spokesman. He was one of the staff members principally responsible for staging the Major Issues Conferences in 1977 and 1982.

During a farewell reception in the Mike Mansfield Room of the U.S. Capitol, Chairman Shad praised Mr. Rothman for "an outstanding job developing communications with the media."

"In the almost eight years I've been here, every day has been a new challenge," Mr. Rothman noted in a parting interview. "It has been both demanding and rewarding to have had the opportunity to work for three different chairmen and nine different Commissioners, all outstanding in their own way. I feel fortunate to have been involved with important issues such as the national market system, the integrating and updating of the disclosure system, the enforcement program and the major issues conferences.

"I'll miss the intellectual environment of the Commission, the feeling of being part of an organization doing a very worthwhile job in the public interest, and doing it well. Also, I must echo what almost everybody says when they leave the Commission. What really makes it such a great place to work is outstanding quality of the people. But I look forward to the different kind of challenge I'll have in the private sector. It's a great opportunity."

Prior to joining the Commission,

from March 1970 through June 1976, Mr. Rothman served as a senior staff aide to U.S. Senator Harrison A. Williams, Jr., concentrating on press relations, speechwriting and special projects. He was a journalist for five years before that working for United Press International, the Dayton (Ohio) Journal-Herald, and the Akron (Ohio) Beacon-Journal.

Mr. Rothman holds a Master of Business Administration degree from Loyola College (Baltimore) and studied Communications as an undergraduate at The American University. He is a veteran of the U.S. Navy and has lectured and written on SEC-related matters.



*Andrew Rothman, outgoing OPA Director.*

## Mary McCue Is New OPA Director

Mary M. McCue was appointed Director of the Office of Public Affairs on February 22 and assumed her duties March 1. She succeeds Andrew L. Rothman, who resigned to accept a position in the private sector (See story in this issue).

Ms. McCue, 36, was a Vice President of the First Boston Corporation, where she initiated and ran a press communications program that was considered the best in its field.

"I'm very pleased that Ms. McCue is willing to leave an excellent private-sector position to come to the Commission,"

Chairman Shad said. "Her knowledge of the securities industry and financial press will be particularly helpful in maintaining the effectiveness of the Commission's public affairs program."

Ms. McCue has 15 years' public relations experience that runs the gamut from copywriter for a charitable organization, Foster Parents Plan, to being a vice president of a multimillion dollar investment banker, First Boston Corporation. Between the two, she wrote speeches, articles and programs for a wide variety

*See McCUE, p. 12*



*Mary M. McCue, SEC's new Public Affairs Director.*

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# PERSONNEL SHOP TALK

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## New Health Benefits Registration Opportunity

Effective February 8, 1984, the Office of Personnel Management added a new provision to the Health Benefit Regulations. If a federal employee loses non-federal health benefit coverage due to their spouse's involuntary layoff, that employee may enroll for health benefits. Also, if the employee currently has self-only enrollment with the government, he/she can change to a family enrollment under these conditions.

Eligible employees must submit a registration form (SF-2809) and a statement from the spouse's employer within 31 days before or after the date of the spouse's layoff.

For further information, please contact your Personnel Staffing Assistant.

## Optional Retirement

The following requirements must be met to be eligible for optional (voluntary) retirement: (1) You must have at least five years of creditable civilian service; (2) have been subject to the retirement law for at least one out of the last two years before separation; and (3) meet one of the following combinations of minimum age and service criteria:

- (a) have five years of civilian service and have reached age 62, or
- (b) have 20 years of service and have reached age 60, or
- (c) have 30 years of service and have reached age 55.

The amount of annuity payable to you depends upon your highest three consecutive years of average salary and total length of creditable service, including unused sick leave.

Here is an easy formula to estimate your basic annuity:

- (1) Take your total length of creditable service. Use only full years and full months; drop days.
- (2) Subtract two years.
- (3) Multiply answer by two. Answer equals percentage.

- (4) Multiply percentage by 'high 3' coverage salary.
- (5) Answer is your estimated basic annuity.

EXAMPLE: (30 years service and 'high 3' average salary of \$30,000)

$30 - 2 = 28 \times 2 = 56\%$ ,  $\$30,000 \times 56\% = \$16,800$  (basic annuity).

A quick way to estimate the impact of an unpaid post-1956 military deposit upon your annuity is to reduce your 'high 3' average salary by 2% for each year of military service. Use .17 (1/6 or 1%) for any additional month.

EXAMPLE: (20 years civilian service, two years military service and 'high 3' average salary of \$30,000)

$\$30,000 \times .04 = \$1,200$  (annuity reduction).

NOTE: The interest-free period on post-1956 military service credit deposits has been extended to September 30, 1985.

## Regulation Governing FEGLI

The Office of Personnel Management has issued regulations on the Federal Employees Group Life Insurance (FEGLI) Program.

These regulations state that if a former federal employee has been separated from federal employment at least 180 days, and previously filed a waiver of life insurance coverage, then upon returning to Federal employment this waiver is automatically cancelled. This means that the returning employee who does not wish to receive life insurance must file another SF-2817 (Life Insurance Election) declining such coverage.

For further information, contact the Personnel Specialist/Assistant who services your organization.

## Notice -- Help Wanted

Information Systems Management is seeking experienced Computer Specialists knowledgeable in COBOL, large data base management systems, time sharing, on-line teleprocessing systems, large scale mainframe experience, preferably IBM, and job control language. If you know of persons who are interested in working in this exciting profession in Washington, please have them contact or send an application form 171 to Edith Hocutt, SEC Office of Personnel, telephone no. (202) 272-7068. Positions are available at GS-9

\$20,965; GS-11 \$25,366; and GS-12 \$30,402.

The SEC also needs accountants to work in Washington and in some Regional Offices. These professionals should have CPA's and a minimum of three years public accounting experience. If you know of an interested candidate, please have them submit a resume to Jeanne Marie Patterson, SEC Office of Personnel, Securities and Exchange Commission, 450 5th Street, N.W., Washington, DC 20549; telephone no. (202) 272-7064.

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# APPOINTMENTS

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## Mark Fitterman Is Named Market Reg. Asso. Director

Mark Fitterman has been named Associate Director of the Office of Inspections and Financial Responsibility, Division of Market Regulation.

Mr. Fitterman received an A.B. degree, cum laude (1964) from Oberlin College and an M.B.A. (1971) from Wright State University.

Mr. Fitterman joined the Commission in 1972 as a student assistant and became a staff attorney in the Division in 1974 in the former office of Market Structure and Trading Practices. He became Branch Chief, Market Structure, for that office in 1976 and was appointed Special Counsel to the Director in 1977. He became Deputy Associate Director of OSRO in 1982. As Associate Director, Mr. Fitterman will be responsible for SRO surveillance and financial responsibility areas.

## Kirby, Sirignano Are Named Asst. General Counsels

Richard A. Kirby has been named Assistant General Counsel (Bankruptcy and Appellate Litigation) and David A. Sirignano has been named Assistant General Counsel (Appellate Litigation) in the Office of the General Counsel.

Mr. Kirby will be responsible for the supervision of the Commission's bankruptcy program, recently transferred to the Office of the General Counsel. Mr. Kirby has been in the Office since November 1978, serving as a Staff Attor-

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## APPOINTMENTS *from p. 6*

ney, Special Counsel, and Senior Special Counsel. Prior to that time, Mr. Kirby served in the Judge Advocate General's Corps of the United States Army. Mr. Kirby is a 1974 graduate of The Catholic University of America Law School.

Mr. Sirignano will be responsible for the supervision of one of the appellate litigation branches. Mr. Sirignano joined the Commission's staff in September 1978, also serving as a Staff Attorney, Special Counsel, and Senior Special Counsel in the Office of the General Counsel. Mr. Sirignano is a 1974 graduate of Albany Law School.

## Sturc and Goldstein Named Associate and Asst. Directors In Enforcement Division

John H. Sturc and Joseph I. Goldstein have been named Associate Director and Assistant Director, respectively, of the Division of Enforcement. Mr. Sturc succeeds Theodore A. Levine and Mr. Goldstein succeeds John F. Hartigan, both of whom resigned recently to enter private law practice.

Mr. Sturc, who was Enforcement's Deputy Chief Litigation Counsel, joined the Commission staff in 1982 as Assistant Chief Trial Attorney. Prior to that, he served as Assistant U.S. Attorney for the District of Columbia from 1976 to 1981. During that period he received a Special Achievement Award from the Department of Justice.

Mr. Sturc, 33, a native of Washington, D.C., received a B.A. degree, *summa cum laude* (1972) from Cornell University and a J.D. degree, *cum laude* (1975) from Harvard University.

Mr. Goldstein, who was an Enforcement Branch Chief, joined the Commission staff in 1980 as a staff attorney. Before coming to the Commission, Mr. Goldstein was a law firm Associate. Mr. Goldstein graduated, *cum laude* (1972) from the University of Michigan Law School.

## In Memoriam

**PETER C. CALHOUN, JR.**, a mail clerk, died on February 24. He had 26 years of Federal Service, including 10 years of loyal service with the SEC.

**ARTHUR F. CARR**, Chief Enforcement Attorney in the Boston Regional Office, died on January 8. He had been with the Boston Office since January 1960.

## Corp. Finance Reorganized To Prepare For EDGAR

The Division of Corporation Finance has reorganized to enhance its ability to review filings by corporate issuers on a timely basis, and to accommodate the Commission's planned new electronic filing system, Director John Huber announced March 5.

The Division has added an Assistant Director, and two additional operating branches, bringing the total number of branches to 12. To implement the expanding operating structure, an additional Associate Director (Operations) position has been established and filled by Ernestine Zipoy. She supervises three of the six Assistant Director units. The other three Assistant Director units report to William C. Wood, who has been named Senior Associate Director for

Operations. His responsibilities also include the Office of Chief Financial Analyst, Division hiring, budget submission and press liaison for Disclosure Operations. The Office of Operating Procedure and Review has been discontinued, and its resources reallocated. Mr. Wood has also assumed additional management responsibilities, including the co-ordination of all branch enforcement referrals.

In addition, in the near future, the Commission intends to establish a Pilot Branch to prepare for and then conduct the new experimental electronic filing system, known as EDGAR (Electronic Data Gathering and Retrieval). The Division has already requested volunteer companies to participate in the development of EDGAR.

## SEC Computer Center Demonstrates Use of Micros

*by Peggy Favor, USIC Staff*

The User Support Information Center staff and members of several other offices showed how the SEC uses micro computers at the March 20th Federal Office Systems Expo (FOSE) held at the Washington Convention Center. The SEC's USIC, one of the first in government, has been operational since March 1983.

FOSE invited the Commission, along with 14 other government agencies, including NASA, Department of Labor, IRS, GSA and HUD, to demonstrate their use of micro computers in daily operations to senior executive staff and other government employees.

Thomas Hamill, Enforcement Senior Counsel, showed how micros are used in insider trading cases, and John Mooney,

Corp Fin Chief Financial Analyst, showed the use of Lotus 1-2-3 spreadsheet package and Standard and Poor's Computstat to analyze financial information.

Members of the USIC staff also demonstrated the use of micro computers. John Boucher discussed the use of dBase II, a database management package. James Tabellario showed FOSE participants the Lotus 1-2-3 spreadsheet package uses including graphs. Regina Peterson demonstrated a dBase II system which tracks FOIA requests. John Faith, Chuck Kirby, Duane Leutkenhaus, and Peggy Favor discussed the Commission's User Support Information Center with members of other agencies who are in the process of creating such a center in their own agencies.



*Regina Peterson (ISM) demonstrates FOIA micro system to a FOSE participant while John Boucher (ISM) looks on.*

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## REGIONS

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### Davenport Receives Presidential Award

Robert H. Davenport, Denver Regional Administrator, has been designated a Meritorious Executive for 1983. This Presidential Rank Award was given to only 145 members of the Senior Executive Service from throughout the Federal Government and carries with it a \$10,000 cash bonus. The award was presented to Mr. Davenport on February 13, 1984.

Mr. Davenport was selected for the award for his outstanding government service over 25 years, the last ten as Director of the Denver Regional Office, which is geographically the Commission's largest region. His selection was a result of a recommendation by Chairman Shad to the President.

Under Mr. Davenport, the Denver Region's enforcement program has been outstanding, alert and responsive to problems in the area. Through his quick response to problems in the 1981 and 1982 "Denver Hot Issues" market, numerous serious cases of securities violations were uncovered, halted and prosecuted.

Mr. Davenport has exhibited a deep concern for facilitating the ability of small businesses to raise capital, and served as a Hearing Officer during the Commission's small business hearings in Denver in 1978.

In the Denver Office, Mr. Davenport is a keen supporter of the Commission's Affirmative Action program and has consistently designated both professional and paraprofessional positions to be filled through the Upward Mobility Program and with minorities.

The effectiveness of securities regulation in the Region has been increased by Mr. Davenport's encouragement of the pooling of resources of securities regulators on the state, local and Federal levels, as well as in the neighboring Canadian provinces. Seventeen years ago, he co-founded the Rocky Mountain State Federal Provincial Cooperative Securities Conference, now one of the largest and most productive securities conferences in the nation.

He received the Commission's Special Act Award in 1975, a Distinguished Service Award, the Commission's highest award, in 1978, and was awarded a Senior Executive bonus in 1981.

### Mike Stewart Resigns; Enters Private Practice

Michael Stewart, 48, Administrator of the Commission's Los Angeles Regional Office, resigned December 31, 1983 to enter private practice. Irving Einhorn has been named to succeed him (See story in this issue).

During the 20 years from the time he joined the Commission as a staff attorney in 1963 in the Washington Regional Office, Mr. Stewart served as Administrator for three Regional Offices--California, Fort Worth and Boston, as head of the Miami Branch Office and temporary head of the San Francisco Office and as Assistant General Counsel. In December 1976 he left the Commission for six months to serve as Deputy Director of Enforcement for the Commodity Futures Trading and again for six months in September 1980 to become an Associate Director at the Department of Labor.

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### Don Malawsky Leaves To Be NYSE Senior VP

Donald Malawsky, 47, New York Regional Administrator for the past three years, resigned on February 1 to become Senior Vice President of the New York Stock Exchange, where he now heads the Member Firm Regulatory Service Division.

Mr. Malawsky served the New York Office for 16 years, where he rose from Branch Chief (Enforcement), to Assistant Regional Administrator (Enforcement) in 1969 to Deputy Regional Administrator in 1979 and Regional Administrator in 1981. He joined the Commission in 1962 as a staff attorney in the Denver Regional Office, where he served for six years.

As Administrator of the New York Office, Mr. Malawsky oversaw some of the Commission's most important enforcement actions, including SEC vs. Banca Della Svizzera Italiana, informally referred to as the St. Joe Minerals case. Still in the courts, St. Joe is the insider trading case, which was one of the factors that led to the U.S. - Swiss consultations that brought about the U.S.-Swiss Memorandum of Understanding. The Memorandum of Understanding and a related convention among members of the Swiss Banking Association permits the Commission to obtain information from Swiss banks in insider trading cases, if certain conditions are met, despite the existence of the Swiss Bank Secrecy Law.



Joe Coogan at DRO's Farewell Party for him.

### A Gaelic Blessing To Retiring Joe Coogan A Courageous Friend

Joe Coogan, a securities compliance examiner in the Denver Regional Office, was honored March 2, 1984 by the staff of the DRO and SLBO offices, and his family and friends. Nearly 80 people in all turned out for the plentiful Irish luncheon held in the conference room of the DRO, which was decorated in a St. Patrick's Day motif. The feast included nine different stews, fruit bowls, loaves of bread, and a shamrock-decorated cake. Joe retired after 20 years with the federal government. Fifteen of those years were spent inspecting broker-dealers -- years of experience which Bob Davenport, Regional Administrator, said contributed to Coogan's exceptional skill and outstanding grasp of the business.

The last eight of those 20 years have proven Joe to be a brave and determined man. In 1976 he initially learned that he had multiple sclerosis, a disease that attacks the nerve coverings. But in spite of his progressively crippling disease, Joe, the father of seven children, has fought the difficult disease during his days in the Denver office. Joe's motorized wheelchair was a familiar sight in the DRO as he sped down halls and whipped around corners. Staff members learned to become light-of-foot when he backed up his scooter-like vehicle in high gear. Joe typifies the slogan of Cork County, Ireland, "We're down, but not out."

The festive retirement potluck was marked by the jovial spirits of Joe and his dedicated well-wishers who crowded

See REGIONS, p. 9



## REGIONS, from p. 8

around him. Several gifts were presented including a hand-made Irish fisherman's knit sweater, a New York Yankee's baseball cap (for a man who is an ardent Los Angeles Dodgers fan), and a bottle of Irish whiskey. Green was the color of the day. Guests included Joe's wife, Barbara, his brother, Thomas Coogan who is Denver's Police Chief, six children, and many former DRO staffers. A Rocky Mountain News staff writer at the party acknowledged Joe with an article and picture the following day.

Joe is to enter the hospital for three weeks of treatments with a new drug. He is hopeful his condition will improve and that recovery will be in sight. "Even if it doesn't work, at least I'll be helping the doctors out," he said.

Davenport, in his tribute, said of Joe, "He has shown a tremendous amount of courage to face the problem he has. He has kept his Irish wit and outlook, and that will live in the memory of every staff member he has touched."

Jack Kelly, M.C. of the luncheon, closed with the following toast to Joe, "May the roads rise with you, and the wind be always at your back, and may the Lord hold you in the hollow of His hand."

"WE SALUTE YOU!"

## LONGSTRETH from p. 1

they outline issues, suggest possible resolutions, and, generally, give his views on the best course of action and why. The merit of his writings may best be judged by the fact that two months after his departure staff attorneys can still be heard discussing points made in Longstreth speeches over coffee in the Sandwich Chef.

At least two of Mr. Longstreth's creative efforts chronicle the history of the SEC under Chairman Shad, one in all seriousness and the other for the fun of it. In "Reflections of a Departing Commissioner," a February 3 New York Times article, Mr. Longstreth reviews his two and one-half years with special insight into the Commission as headed by Chairman Shad. And, on the occasion of his farewell party, Mr. Longstreth turned Gilbert & Sullivan's "When I Was a Lad" (from H.M.S. Pinafore) to "When Shad Was a Lad." With his wife Clara accompanying him on the piano, Mr. Longstreth sang his version of the popular song:

### Ruler of the SEC

#### I

*When Shad was a lad he served a term  
As office boy to the Hutton firm.  
He crunched the numbers and made deals  
galore  
And fed himself abundantly on free market  
lore.  
He praised free markets so zealously  
That Reagan made him ruler of the SEC.*

#### II

*He signed on Fedders as enforcement mate  
And pledged him sternly to deregulate.  
Greene was next and then Dan Goelzer,  
Followed by Goldberg, Daniels and Lee  
Spencer.  
A mighty fine crew Shad cried with glee  
And each of them is bound to function  
just for me!*

\*\*\*\*\*

#### VI

*Commissioners come and Commissioners  
go,  
Hemming in their Chairman, be he John  
or Joe.  
And Congressman, feigning oversight,  
Holler to the press and pretend to fight.  
Yet to each comes this discovery:  
It's the staff who rule the roost at the  
SEC!*

"Serving on the Commission has been exciting and challenging, and a heavy responsibility," Commissioner Longstreth said in a parting interview. "I became a captive of the SEC in terms of loyalty and a defender of its existence and purpose almost overnight. I have been very much impressed with the qual-

ity of work here—which means with the quality of the staff. You might expect that the high-paying private sector would pick off the most talented people. And I am sure they sometimes do, but there are none more talented than the staff that works here. If you measure the quality of the memoranda of law and the thought processes one sees in those memos against what one sees in the private sector, you will find what goes on here is every bit as good, and in some cases, better than in the best of private sector."

Before being appointed to the Commission, Mr. Longstreth had practiced law, beginning in 1962, with the New York firm of Debevoise & Plimpton. In 1970 he was admitted to partnership in that firm. He specialized in corporate securities and real estate finance law, bankruptcy and business work-outs and not-for-profit law.

Mr. Longstreth was a Lecturer at Columbia Law School from 1975 until his appointment to the Commission, teaching a seminar on the corporation in modern society. He has lectured on various securities and corporate law topics at the Practising Law Institute and other seminars and has written numerous articles on business-related subjects. Mr. Longstreth has served on the boards of a number of charitable and educational organizations active in the New York area.

Mr. Longstreth was born in New York City in 1934 and grew up in Princeton, New Jersey. He graduated from Princeton University in 1956 (B.S.E.) and from Harvard Law School in 1961 (LL.B.). From 1956 to 1958 he served in the U.S. Marine Corps.



(l to r) John Fedders, John Shad, Bevis Longstreth and Federal Reserve Board Chairman Paul Volcker at the SEC's farewell party for Commissioner Longstreth.

# Three OARS Employees Retire - Total 101 Years Of Service

Three employees who have served the Commission for a total of 101 years and provided for the Commission staff and the public many important records and information services, retired December 31 from the Office of Applications and Reports Services.

**FRANK STULTZ**, Executive Assistant to the Director of OARS, retired after 37 years with the Commission. Among his responsibilities was the negotiation of SEC contracts with Disclosure, Inc. and others.

Mr. Stultz joined the SEC, then located in Philadelphia, in 1974 as a GS-1 messenger in the Mail Room. He soon was promoted to a clerk in Corporation Finance.

Ambitious and hard-working, Frank applied for every opening he was eligible for. Beginning in the early 50s, he attended American University at night to earn a B.S. in Accounting, and passed the CPA examination, to qualify for the Financial Analyst position. There followed a series of promotions, to Legal Examiner and then to Financial Analyst, first in Corporation Finance and then in Corporate Regulation. In 1972 when the Office of Registration and Reports (ORR) was created, Frank was appointed an Associate Director and later became Executive Assistant to the Director of the Office of Applications and Reports Services, successor to ORR.

His wife, Diane, whom he met at the SEC, continues to work as an Administrative Assistant for the Office of Administrative Services. Since his retirement, Frank admits to becoming something of a house husband but still finds time to work with the Special Olympics and to assist Senior Citizens with their tax returns.

**MARGARET CONDON**, Reports Specialist, retired after serving the Commission for 29 years.

Ms. Condon is the person many members of the staff and public turned to for answers to questions on statistics about registered companies. She was involved in putting together the Corporation Index, the Investment Company Index and other similar compilations.

Ms. Condon joined the SEC in 1955 as a GS-3 clerk in Corporation Finance, rose to a section chief in 1968, and became a Registrations and Reports Specialist in 1974. To enhance her understanding of her work, Ms. Condon took

accounting and economics courses at American University.

Prior to working for the SEC, she worked for three years as a secretary on Capitol Hill and two years for the Maritime Commission.

Over the years, Ms. Condon has been active in church work. Since retiring, she has worked two days a week with senior citizens, transporting them to a biweekly church luncheon, helping with the luncheon, and helping the seniors out with

other transportation needs.

**JOHN MEDLOCK** retired as a Supervisory Documents Control Specialist after 35 years at the SEC. Mr. Medlock began his SEC career in 1948 as a messenger and shortly thereafter became a file clerk. In 1967 he was the Hearing Room Clerk in what was then the Certification and Service Section. In 1973 he became Chief of the Branch of Administrative Proceedings and he ended his federal career as Chief of the Document Control Branch.



*Margaret Condon accepts Retirement Certificate from Personnel Director Jim Foster.*



*Frank Stultz and wife, Diane, at Margaret Condon's Farewell Party.*



*John Smith and Andrea Bader of OCA display awards presented by Personnel Director Jim Foster (l). Ed Coulson, Deputy Chief Accountant, is on far right.*

## Andrea Bader and John Smith (CA) Introduce Staff to Financial Statements

In a course so popular that employees had to be turned away, Andrea Bader and John Smith of the Chief Accountant's Office introduced non-accountant staff members to the intricacies of financial statements in a program titled "Introduction to Financial Statements," but best described as "SEC Accounting for Non-Accountants." The course combined live instruction with video tapes purchased from the Practising Law Institute. Additional sessions of the program had to be scheduled to accommodate all of the employees interested in the subject.

Two programs have been held, in December and February, and another is being scheduled.

On March 8, Personnel Director Jim Foster presented Ms. Bader and Mr. Smith with certificates of appreciation for their

efforts in putting together the program.

Credit for the success of the course is shared by the Office of Personnel and the Chief Accountant's Office, SEC Training Officer Jim Gorman said. "The Personnel and Chief Accountant's Offices invested significant staff time in the research, design and delivery of the course. We are delighted by the successful results and are exploring ways to share this approach with the Regional Offices."

The Office of Personnel urges qualified staff members to consider conducting similar training programs on other subjects. At this time, programs in the broker-dealer and securities law areas are of particular interest to the staff, a Personnel spokesman said. Training in instruction skills, if necessary, and clerical and administrative support, can be provided. By putting to use the expertise of staff trainers, the Commission can save thousands of dollars in vendor fees or tuition assistance funds, the Personnel Office points out. For the trainer, teaching can be a rewarding experience and a means to further development, and it need not require an extended commitment of time.

Staff members interested in conducting such programs should contact Jim Gorman or Irene Hendrick on 272-2512.

### Exercise Classes

A new exercise class will meet on Mondays and Wednesdays from 5:45 - 6:30 p.m. at 450 Fifth St., N.W. There will be a maximum of 15 persons per class. For further information, call Anthony Walker, 272-7151 or Myrna Siegel, 272-2430.

### WOODSIDE *from p. 1*

President Dwight Eisenhower on July 15, 1960 appointed him to the SEC to fill the unexpired term of Andrew Downey Orrick. In 1962, he was named to a full five-year term by President Kennedy.

A memorandum dated September 4, 1956 to the Supervisory Personnel of the Division of Corporation Finance from Mr. Woodside, then Director of that Division, is an example of the care he took in directing his staff. Much like Polonius' advice to Laertes, Mr. Woodside's advice on how his Supervisors should conduct themselves before the Commission has stood the test of time. In abbreviated form, it is:

- (a) Know the facts.
- (b) Don't be afraid to say you don't know the fact, law or policy, but then go get the answer.
- (c) Don't become impatient when Commissioners are curious about some Commission practice or policy.
- (d) Present a case or problem in an orderly manner.
- (e) If you don't understand what the Commission has decided, don't hesitate to ask for an explanation before leaving the meeting.
- (f) Don't forget that this is a business office and your day-to-day appearance will affect the impression the Commission has of you, the Division and how we do our job.
- (g) Present your questions or cases smartly, alertly and in a business-like manner. Don't waste the Commission's time.
- (h) When you have been given a decision or ruling, pick up your papers and depart.

In 1971, Mr. Woodside was appointed the first Chairman of the Securities Investor Protection Corporation, the agency created to provide protection for the securities accounts of customers of SIPC members.

Mr. Woodside was born in Oxford, Pennsylvania. His wife, the former Georgette P. Ingram, died in 1974. Three children, Dr. Byron C. Woodside and Marilyn W. Piper, both of Haymarket, and Billie F. Patterson of Pensacola, Florida, survive.

## McCUE *from p. 5*

of industrial and financial clients for Hill and Knowlton (1976-78), served as account executive with primary responsibility for communications programs of clients of Burson-Marsteller (1974-76) and served as the Public Information Officer and produced and hosted a weekly half-hour radio show on neighborhood government for the Office of the Mayor of New York City (1973-74).

Ms. McCue, who grew up in Rumson, New Jersey, earned a B.S. in Public Relations from Boston University in May 1969. She is a member of the Board of Directors of Foster Parents Plan, an international organization that assists poor children. She also belongs to the Financial Communications Society and Women Executives in Public Relations and is listed in Who's Who in the East and World's Who's Who of Women.

Ms. McCue's answers to some questions asked two weeks after she reported to the SEC give an insight about her and how she looks at the SEC's public affairs function.

Q. Why did you accept the job at SEC?

A. It's an excellent opportunity. I think the securities business will undergo structural change in the next few years, and the SEC will be at the fulcrum of that change.

Q. How do you like the job so far?

A. I love it. It's interesting. The people are terrific, very open and very helpful. One of the great things about this job is that it gives you the ability to learn about all the different aspects of the SEC, and you should if you're doing your job right.

Q. What do you perceive to be the biggest problems you will face?

A. So far, the biggest problem is adjusting to the bureaucratic system. If you want to do a one-page survey, it has to go through OMB because of the requirements to reduce paperwork. That's not true in the private sector; it would just go to the printing press.

The other is that the nature of the constituencies we are accountable to at the SEC are different and learning about those constituencies takes some time and a bit of adjustment.

Q. Are there any changes you intend to make in the way public affairs are handled at the SEC?

A. I think there is a gap between the perception of the SEC, and the reality

of how good it is. And we're going to work to close the gap. I'm not sure of the techniques we'll use. The first thing you have to do in communications is to learn the product, and I'm still learning what the SEC is all about. If you don't learn the product, you can make some disastrous mistakes.

Q. Will you use the same techniques in the SEC public affairs program that you used in handling First Boston's public relations program?

A. The essentials of any successful program are exactly the same. The SEC is a top notch agency, and that is the basic principle.

Q. What do you consider your greatest achievement?

A. Helping Foster Parents Plan grow. It has grown from an agency assisting 20,000 children a year to one that is aiming to have 50,000 on its rolls by year-end '85. It is growing by 30% a year. And when it grows 30% a year, it is helping a lot of kids.

Q. Do you have any hobbies?

A. I read a lot--anything--Shakespeare, mysteries, histories, fiction, and I play squash and ski.

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## OARS Processes Over 5000 Filings In Two Days

On Friday, March 30, more than 5,000 10Ks were filed, in addition to the usual registration statements, broker-dealer reports and other filings received in the average SEC day--the busiest filing day of the year.

Federal Express, the largest of the overnight services, delivered 1001 10K reports on March 30. Network Corporation, one of the smaller services, delivered around 300.

At 8:00 a.m. messengers were lined up in the Main Lobby outside the filing office. Express company couriers with their boxes of filings were directed to the Lower Lobby, where employees were stationed at temporary tables to process their filings. By 4:30 p.m. the line of messengers in the Main Lobby had all but disappeared and by 5:00 p.m., only one Network representative, Mike Rynd, remained finishing up downstairs. There the tables were almost clear and the last flatbed truck of annual reports was being wheeled to a nearby room so processing could continue. Mr. Rynd praised the

Commission's handling of the unusual workload: "By 5:00 p.m., most of the statements were cleaned out of the lobby. Last year at this time there were quite a few still around. The positive attitude of the employees sets this agency apart from others. The people at this agency have a more professional and a friendlier attitude."

Despite the increase in filings this year, the lines were shorter, and the work processed faster than ever before. That's because OARS management and staff planned their strategy several weeks ahead. Several volunteers from five OARS' branches were trained to help receive the filings and to help enter information from them into the computer system. Together, the regular Document Control staff and the volunteers began two weeks early to clear up all the outstanding work, so that on Monday, March 16, all past filings had been processed and entered into the computers. The decks were clear for the big week. For greater efficiency, on Monday, a temporary flex schedule was begun, so that, in addition to daytime use of the computer, some employees worked from 3:30 to 12 am entering filings into the computer at night.

By Tuesday, April 3, less than a week later, all of the 10Ks had been processed, entered into the computer, distributed to the Public Reference, the filming contractor, the Press Room, Corporation Finance and other offices.

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## 50th Anniversary Outing

For sports enthusiasts and others who enjoy the outdoors, the SEC Recreation and Welfare Association has planned a special 50th Anniversary Outing on Friday, June 8, at the Indian Spring Country Club in Silver Spring, Maryland. Employees, their families and friends are invited to participate.

Events are divided into golf, tennis and luncheon packages and the fun begins at 8:00 a.m. Participating in the golf match costs \$35, in tennis \$25, and in the luncheon \$15. The cost of golf and tennis includes lunch. Swimming and volleyball are included in all three packages.

Announcements of the Outing have been sent to all employees. If you are considering participating, please let Karen Mickelson (272-7059), SEC Headquarters, Room C001, know. The Recreation Association needs this information to complete plans for the event. Checks may be submitted to Karen and should be made payable to the *SEC RECREATION AND WELFARE ASSOCIATION*.