



Robert Stebbins Oral History Interviewed by Dr. Kenneth Durr, April 17, 2025

KD: This is an interview with Robert Stebbins for the SEC Historical Society's virtual museum and archive on the history of financial regulation. Today is April 17th, 2025, and I'm Kenneth Durr. Bob, good to see you today.

RS: It's nice to be here.

KD: I appreciate you hanging in with me there on some technical difficulties. Let's start by going back a little bit. You had a very interesting college career, and I want to touch on it briefly. You went to Central Michigan, right?

RS: Yes, I did. I had a football scholarship there. My parents were divorced. We had four of us in college at the same time, and we had no money. My mother was a social worker for the State of Michigan, so I got admitted to the University of Pennsylvania, undergrad. And that didn't cost like it costs now. But to us, it was still a lot of money. My mom made \$30,000 a year and there were four of us in college, so it was decided I should take this athletic scholarship and play football, which I did. I still ended up at Penn for grad school and had a great experience in undergrad and a great experience at grad school, so it all worked out.

KD: You were an All-American in football, right?

RS: An Academic All-American. It's a little different.

KD: There's a difference?

RS: Yes.

KD: Okay. And you were a history major. Did you assume that you were going into law at some point?

RS: Yes.

KD: Okay.

RS: I dabbled in some economics and some law and the history of finance and economics. Anyway, I became a history major, chased the Rhodes for a bit. It was a good major. I enjoyed it. I always knew I was going to go to law school or get an MBA, one of the two.

KD: Okay. Did you get any experience in securities law or corporate law while you were at Penn?

RS: Well, we took classes, right? I took classes. I wasn't sure if I was going to be a litigator or a corporate attorney or what exactly I was going to do. I started at Willkie. I actually started in the litigation group, so I took evidence and classes like that. But I also took tax, I took securities regulation. I took things that were going to allow me to go down either path depending on what I wanted to do. And I thought about being a tax attorney. I thought about being a real estate attorney. I got to the firm. I was working in litigation. I didn't love it, so I said, "I want to bounce over and do a rotation in corporate." They were fine with that, and it was a great fit for me. In litigation, I think it's hard at the big firms to get experience right away and get in the courtroom. Nobody wants a first-year associate arguing their stuff. But in corporate, they'll give you as much rope as you can hang yourself with right away. You can do the deal. If you can do the whole deal yourself, go for it. So, we were very busy at the time. It was great experience. I found it very entrepreneurial, and I stayed and loved it.

KD: Talk about the kind of work you did or some of the interesting cases, if you can.

RS: Cases is the wrong word for me because deals are what I do.

KD: There you go.

RS: Yes. I speak a lot to boards, at this point. I speak a lot to conferences, a lot of things involving corporate governance. But that was post-SEC. Pre-SEC, really a deal lawyer. A lot of SEC stuff, a lot of registration statements and IPOs, and follow-on things. A lot of day-to-day corporate compliance with the SEC rules, 8Ks, 10Ks. The day-to-day disclosure rule, FD, had come in while I was practicing, which was a very good rule. One of the best SEC rules, I think. I did a lot of work representing hedge funds, a lot of work representing private equity funds, a lot of merger work. I met my wife on a hostile takeover, believe it or not. We were co-counsel, not on the other side. It's not as bad as it sounds. Yes, just deal work, deal work, deal work. That was a fascinating deal. We were representing the Simons, which owns the Indiana Pacers, among other things. Ann Beth, my wife, is at Skadden. She's still there and is an M&A partner at Skadden. She had Westfield and Westfield used to own the retail under the... they're called Westfield Shoppingtown Malls. And they had all the retail trade center among other things, very big in California. And then you had on the other side the Taubman Malls, and they had the mall at Short Hills. They had very nice malls. They actually are part of Simon now. But at the time, they weren't. And Al Taubman was in jail for price fixing when he was at Sotheby's as CEO. It turned out it was a Michigan company, and Al had donated a lot of money at the University of Michigan. Another cause is he used to own a team in the old United States Football League called the Michigan Panthers. Anyway, not to belabor this too long, we went into court. We made a hostile tender offer against the company. They owned 30 percent of the shares. It was a really tough one. The only way to win it was to... you needed a two-thirds vote. They way to win it really was to have the board fracture, and the board wasn't fracturing. So we went into court and they purchased some more shares. We said the defenses were illegal, one of those kind of claims. And they purchased enough shares to go over 33 and a third, so they had a total 100 percent blocking position. But in doing so, they had violated this takeover statute in the state of Michigan. So we made a claim that they had not provided the proper notice to shareholders, everything else, and we won. And their voting rights were validated, so we looked great. What they had done though was they went to the state legislature, it's the last time it's ever happened in corporate law history, and they asked that—they called in favors and got the law returned. They made it something along the lines of, "It's illegal to do it individually to violate the statute. But as a group, it's okay." Which of course makes no sense, but it wasn't about making sense. It was about winning. So then at that point, my wife became a Michigan lobbyist, she wasn't my wife at the time and tried to convince the state legislators that they should overturn this decision, which was a fool's errand. It was not going to happen. They were very powerful and we walked out on some very powerful people. The Simons were huge democratic contributors. We had the president's wife come out, Hillary Clinton, and they just said, "Go home." It became a Harvard Business School case study called the Mall Brawl. I met my wife on the deal, and she's still my wife.

KD: Excellent.

RS: Eventually, 20 years later, Taubman was acquired by Simon. The mall business has become a tougher business. It was a great business for a long time. But nowadays, with Amazon and everything else, it's a much tougher business. If you're going to be in the business, you want premium properties. Those are the types of places that people still go to, premium malls, premium stores. And Taubman had that, so the Simons were correct in what they were trying to do. They just probably need to bid a little higher.

KD: Interesting. I've never heard of the Mall Brawl, but it sounds like a fun story.

RS: Yes.

KD: Tell me about working with the SEC during these years. This would've been during the '90s, early 2000s. Talk about your impressions of the Commission, some of the folks you worked with and, just generally, what the working relationship was like.

RS: I think it was standard. Everyone was afraid of the SEC, of course. When you're a corporate person, you take your obligations very seriously. I'm not a litigator, so they weren't knocking on my door and there was less day-to-day interaction. But corporation finance was always a pleasure to work with. It's a great group. You go through the rounds on your registration statements. Probably a little less political now there than it was at the time. But I thought it was always a good relationship. I don't have any specific memories of anything out of the ordinary there. It was a standard working relationship that a corporate person would have, which isn't a lot of interaction. You haven't done anything wrong. You're just sending in registration statements, and you deal with them that. Same thing, merger filings. If you have a proxy, the other merger stuff that's more Delaware, you're going to have lawsuits and things. You don't have a huge interaction with them except in connection with the proxy rules and the tender offer rules, which is a great group of the SEC as well. And people do these things called bedbug letters sometimes, and we would do things like that. I actually don't think they're that effective. But 13D filings, things like that. Just standard stuff, so nothing out of the ordinary.

KD: Bedbug letters?

RS: Yes. Bedbug letters mean if you're in a hostile situation, what you tend to do is look at the disclosure of the other side. And you email the SEC and you tell them, or you send a letter in and you say, "Here's all the deficiencies, and why you should come down hard on these people for not making full and fair disclosure about what's happening." And the SEC often will send comments to people. But at the end of the day, it really doesn't change the calculus. I don't think it does. People always do it but I don't think it's really that effective, to be honest.

KD: Okay.

RS: It's so cool, the bedbug letters.

KD: You mentioned sort of offhand that you didn't feel like the Commission was as political then as it is perhaps now or in recent years. What were the implications of that for your interactions and just from what you could see of the Commission, say, in the '90s versus more recently?

RS: I don't have any real basis for that other than I think some of the things that you... Environmental was a big deal in the last 5 years, right? There weren't things like that happening right now. There's always been some pendulum swinging back and forth as to getting things in your shareholder proposals. But I think there were more 5-O decisions and things like that that used to happen back in the rules, and I think there was probably a little more consensus than nowadays. There's just going to be a lot of 3-2 stuff in the rulemaking. It's not so much in enforcement, but it's more in the rules. I think it's the difference probably in the last 30 years.

KD: Okay. Well, let's get you to the Commission then. Talk about being approached for general counsel. Was it a big surprise? Was it something maybe you'd heard was in the works?

RS: No, it was a surprise. Jay and I, Clayton, who was the chair eventually, are best friends. Jay was best man at my wedding. As you mentioned, I used to play football. I came out to Penn Law, and I didn't know anybody. One of the nice things about being on a football team is—You're going to college and sometimes it can be an adjustment, making friends and everything else. Well, you have a hundred friends right away. That's nice. I always encourage any young person who's going to school, "Join a team, join a club, join a fraternity, do something, make friends right away. Get out there. Don't be lonely." I was going to be lonely. I'm going to Penn Law. I was like, "How am I going to meet people?" Well, it turned out they had a rugby team and I wasn't the greatest college football player, but I was okay. And against Ivy League law students, I was going to be pretty good. I also was like a Division 2 basketball player. I'm

in my high school hall of fame for football and basketball, and I used to be a high school basketball coach right before this. They had a basketball league and again, same concept. Against law students, I'm going to be good. Right? Well, Jay loved basketball and he loved rugby. That's how we met, and we've been fast friends for forever. I'm almost a fourth brother, if you will. He's got 2 other brothers, so there's 3 in total. We were very close and he had come up to me at some point and said, "Just so you know, there's some chance I might be appointed as chair of the SEC. Would you consider coming with me as GC?" And I said, "Yes, I would. Let me think about it." I talked to my wife and she was supportive. So anyway, that's how it all started. Right from the start, it was a great thing to do. People would come up to me once my name got out there, and I had always had a sense the SEC was a pretty great place. People started coming up to me and they started... They felt so strongly about the institution. The alumni who had been there, about what a great experience I had and was going to have, and everybody could be helpful. They were all willing to be helpful. And maybe their self-interest in that, I don't know. But they were really supportive, and so I sensed it was going to be a great place to work. When I got there, it even exceeded it. There you go. It was wonderful.

KD: Did Jay Clayton talk about things he wanted to do, a program he was hoping to implement or just changes, anything like that at the Commission?

RS: Well, I think Reg BI was something that was front of mind. I think Jay also, everyone has their own style right? I think the last 4 years, it's been a little bit more top-down driven. Jay was bottom-up driven, so Jay would meet with the main divisions and he would say, "Well, what is your policy? What do you want to do? What's your platform?" He's like, "Well, what do you want to do? What do you think is important to people?" And Jay's big thing was he knows markets probably as well as any Commissioner or chair they've ever had, and so he wanted to make markets more efficient. Capital formation was going to be a very big thing for him, and that was important. But also, people had other ideas that things they thought were important to do. He would empower people in the divisions and the division heads, of course, themselves. I think you saw a lot of stuff come out of Bill Hinman's office and Brett Redfearn's office, TM and Corp Fin, and Dalia Blass and IM had a lot of ideas. I think we were pretty busy from a rules perspective because they each did have a lot of ideas and a lot of things they thought were important to do. And I think you saw the focus of enforcement move toward the main street investor, which I think personally—everyone has their own view—that's where it always should be. I think if you read the stuff, there's a sign when you're in the offices on the 10th floor about the ordinary investor being job one at the SEC. I think it's from Douglas, about protecting them. That is still, to me, the number one job. Enforcement was geared more toward the main street investor than perhaps it has been in some other times. And I think that if I was to guess where it's going to go back to under Paul Atkins, I'd say right there. It's going to go back to protecting the main street investor, which is to me the right place to be. Anyway, that's a long-rambling answer of, "I don't know that he discussed with me exactly other than what his main theses were as to people, the main street part and Reg BI, and then the other stuff just kind of evolved."

KD: Okay. Something about the main street investor thing. He did kind of a road show early on, going around, talking to people. Did he do the cities where the regional offices were? How did that work?

RS: Say that again.

KD: Early on, Jay went and did sort of a road show talking to people. I know he went to Atlanta, did a big program, talking to main street investors and about main street.

RS: Yes.

KD: Were you involved in that? Did he bring people along, or how did that work?

RS: I wasn't involved. Someone's got to run the building, right? Actually, the Atlanta time, they took all the commissioners. It never happens. Everybody went and they had a meeting down there. But he did 6 or 7 of those town halls, in general. I think they're pretty good idea. They did one on proxies when I was

there. They recently were doing them on crypto and other things in the building these days. But it was a good thing to do. I mean, Jay was just trying to hear from ordinary people as to what would be important to them if they're making an investment decision, what did they need to know, what did they need to hear. At the end of the day, I think it ended up in a really good place. The history has shown, I think, right? It's been hard to get TM and IM to work together to get this thing out the door because one of them traditionally had the BDs and the other had the investment advisors, and they had to come to a middle ground as to how they were going to be regulated together. So it was a little bit challenging in the building, but we did it. There was some outside pressure. Some people wanted to have just one uniform style or standard, which we thought was going to decrease choice. We thought it was handy to have the broker-dealers survive as well as the investment advisors survive. Some people did not agree with that decision, but we thought it was the right decision. I think if you read the standards, they're pretty close, as to one's a fiduciary and the other says that's the investment advisors. And the other, it says, "You can't put your interest ahead of the investor. If you're the broker, you can't put your interest ahead of the investor," which is basically this close to fiduciary. I think there's not a lot of air between the two, and it does allow for choice in both models to survive, which I think is a good thing. If you're someone who's just going to be in a S&P 500 fund, why do you need to pay 2% every quarter? It makes no sense. If you're going to make one trade and go into it, you should use a broker-dealer and pay \$5 or pay \$0 and go into the S&P fund for Vanguard or whoever it is, and that's the way to do it. Eliminating that and making someone pay 2% every quarter, that makes no sense to me. So I think it ended up in a good place at protecting the individual investor, which is obviously, as I said, what we wanted to do.

KD: Okay. We're talking about Reg BI here, right?

RS: Exactly. If I look back at the number one rule that we did, I think it'd be that one.

KD: Where did that start from? How did that get generated?

RS: Well, it went on for decades and there had been talk, as I rambled on there, about the uniform standard that people wanted to... There had been some commentators suggesting there should be a uniform standard. The fact that broker-dealers had a suitability standard, which was too low, compared to the fiduciary standard that the investment advisors were held to based on the court decision that they ought to be uniform and that broker-dealer standard needed to be raised. Well, we did raise it, but we didn't make a uniform because raising it would basically eliminate them, and you just have a bunch of investment advisors. So, we thought it was best to keep choice. We ended up acting based on the DoddFrank Act. There's a bunch of stuff that happened in the Dodd-Frank Act in 2010 where the SEC was told to do a study on these issues as well as given some empowerments. We did; we acted under it. And there were some lawsuits that later came out of that, basically saying that... People were arguing that we were forced to have a uniform standard. We totally disagreed, and we won in court. So, that's kind of the history of it. It comes out of Dodd-Frank, but nothing really happens for a while other than probably infighting in the SEC. So we started conducting these studies and that did happen, but nothing had happened as to actually formulating a rule. We got there and we acted on it and managed to make it happen. It was probably job one for Jay at that point. We talked about going around and doing these town halls and having 6,000 letters and every one of which needs to be addressed, and it was a big deal. I think it's going to last. It's a good thing.

KD: Talk about working with IM and Trading and Markets, bringing them together during this rulemaking process.

RS: The key is having the heads of the place get along and want to do this, and they did. So Brett Redfearn is TM and Dalia Blass is IM, and they both, I think, understood that this was very important to Jay and very important to the investor community and something that needed to get done. It wasn't simple. I think that people underneath them, there's a lot of—you own the BDs and somebody else owns the IMs, owns is the wrong word, but in charge of supervising and regulating. You're looking out for their interests and being careful, and so just coming together as to how this was going to work was always

challenging. Jay's a good leader and he understands the issues that come out of this, and he did a good job. So, it was nice. It was great to get this done.

KD: Characterize how the process works, generally speaking, in these rulemakings. Did you have the divisions sort of draw something up and get together on and then bring it to you, or how did that work?

RS: My office, the GC office, one of the great things about the GC office, it's involved in everything, especially my relationship with Jay, I'm really involved in everything. So, the rule-writing happens in one of the four groups in the Office of the General Counsel, and Meridith Mitchell led a group—leads a group, she's still there—that does a great job and she works extremely hard. It's pretty lean group. They don't have a ton of people. She has a person who specializes in IM, one who specializes in TM, one who specializes in Corp Fin, Brad Morris, and, depending on where it is, they work with the division as to drafting it. So, they're not drafting it per se. The division is doing the first draft. In this one both divisions are involved together getting the first draft. And then, Meridith is working on the drafts. I don't see the drafts till much farther along in the process because they're making sure it follows precedent that every comment that comes in is being addressed. It's quite a process, especially when it gets 6,000 letters.

KD: That's what you got on Reg BI?

RS: Pretty sure we did, yes. Which is a lot, right? They all get responded to, so that's a lot of letters.

KD: Yes, a lot of mail to read. So it sounds like the general counsel's office is sort of working alongside the divisions.

RS: It's true, and we work very close also with Enforcement. When I was there, Laura Jarsulic had just left. She was great and she worked every week with enforcement. People don't understand that every week, we see 5 to 10 enforcement cases and they tend to be ways where the cases in which the average investor is getting hurt, not always, but generally there's pump and dumps and other frauds that are getting pulled. On a daily basis, it seems to be happening, and there's a lot of recidivism. It's hard to stop it. At the end of the day, we don't carry guns, even though—you've seen the movie Wall Street—we look like we do. We don't have criminal authority, can't put people in jail. We work with the US Attorney's office pretty closely, but if something's what they would consider not a very big case, they're unlikely to want to get involved. And thus, these people tend to—you give them a fine, they don't pay it, and then they change their name and they do it again and do it again and do it again. And you give them these bars, say conduct bars, that you're not going to do this again, and they ignore them. Really, the only way sometimes to get lasting relief in this kind of world is to have the Justice Department involved with threats of jail. That's the most effective thing. Fines, they work against corporate America, right? We're very powerful against them, but it's hard against protecting the average investor. We do our best. We try. People really try hard. They really care about the mission, care about protecting these people, but it's never simple. We worked every week on the enforcement calendar. Now, Jay would be very concerned about not taking what he would view as overly aggressive positions. He wouldn't like to see us taking positions that we think create a lot of litigation risk for the institution. We never thought it was helpful to be losing in the courts, and there's plenty of authority and you can really protect yourself based on 10b-5, Section 17. You have a lot of power. You don't need to go convert books and records charges into something more substantive. That doesn't need to happen. It wasn't something we were going to do. That was our mandate, the way we were viewing it. So, people at the SEC and in my office would make sure that those positions weren't being taken while we were there.

KD: In some respects, you probably had a restraining effect on Enforcement, let's say.

RS: I think so, right? There was still plenty of enforcement. Every week, there were 5 or 10 cases. But as to some charges, we weren't going to bring those under some theory.

KD: Okay. I guess nothing that would break new legal paths, novel litigation.

RS: That's right. That's a good way to put it, no novel theories.

KD: Okay. Were there any notable enforcement cases that you worked on, things that last a long time, consumed a lot of resources?

RS: I think you're always concerned as to how long these things take. I think if I was to give a criticism of the process, I would say, and I always was trying to make sure my people were aware of this, the way the rules were set up is, and I don't know what's happened on the recent court decisions, you had to exhaust your administrative remedies before you could go into court basically. So, what would happen is you see these situations where we would bring a claim, let's say it was brought in the administrative courts, and then it gets appealed to the Commission, and then it gets appealed to a district court or a circuit court, and then it gets sent back to the SEC, and then it goes back through the process again. This can take 5, 10 years, and it's expensive. Hiring me is expensive to do these things, and so the average person can't afford this, right? You want justice for everybody. You don't want it to be where you have to settle this because you can't afford the fight. We were always cognizant of that when I was there, and I know Commissioner Peirce was trying to get these things happening quickly. The longer these things drag out, the higher the legal bills are, right? Even if it's not going through years of process, even if it's two or three years, it's still very expensive. That would be something we were always aware of. As to specific cases, obviously the Musk case got a lot of airtime. I actually thought that was a pretty good resolution at the end of the day. We let the market decide things as opposed to us deciding what was going to happen. I know there was a case against a congressman for insider trading. Those are always politically very sensitive. I don't think he's a congressman anymore. It was insider trading, I think, found happened on the White House lawn. Yes, there's always interesting stuff going on in these cases, insider trading ones. The law's a little muddled, I think it could be better, but those are always good ones. I think we're very good at finding it. When it happens from foreign jurisdictions. It's sometimes tricky for us. People aren't extraditing. Except for the Canadians and maybe the British, people aren't extraditing people. So things that happen offshore are very tricky, but those are always I thought to be very interesting cases.

KD: You mentioned the Musk case and letting the market decide. Explain that a little bit.

RS: Well, at the end of the day, we tried to empower the board more and we tried to change who was on the board, so it was a more, in our view, independent board. Larry Ellison came on the board in replacement of his personal lawyer among other things. And then he had things with the court where he was having to clear things. Now, I don't know how effective that's been. I know there's been people upset that he hasn't cleared everything or, at the time, didn't. Anyway, we thought it was a good result at the end of the day, rather than banning him from the industry or going after him for a large fine or something. I thought that was a better way to do it, get the board involved. I think at the end of the day, I know he hasn't necessarily been happy with how it played out, but I actually thought it was a pretty good decision, pretty good resolution.

KD: Okay. I read somewhere that the rulemaking agenda when you came in was historically high, or the number of rulemakings you had to do. What was the cause of that? Was that Dodd-Frank still hanging on or what else?

RS: There were some that had to be finished, and I know that, even now, Chair Gensler was finishing some and we thought we were very busy. I think he might've even been busier. But I just think there was a lot of stuff that Jay wanted to do and the division heads wanted to do. We talked about BI, but there were a lot of other technical rules that we thought made sense to modernize the markets, especially in TM. Bill Hinman had a lot of ideas as to things that—these are all people who practice, which I personally think is very important, having people who practice in the space. Bill was a great securities lawyer at Simpson Thacher, so he understood markets. He understood what potential rule changes would be helpful for capital formation, which is one of the three prongs of the mission. I'm in the city bar and I was talking to people and I said, "Well, one way you could be helpful, you understand how things work, think about what changes you would recommend to Paul Atkins to make capital raising more efficient." You always have to understand we still have to protect the individual investor, so it can't be just like everyone do whatever they want. But think about smart, technical, and substantive changes that you think

would allow for capital formation to be more successful. I think you're going to see things nowadays. I think you're going to see changes to the accredited investor standard as well as some other things. I think Chair Clayton is going around, saying he thinks taking the Reg A exemption annually to a billion. Anything else, there's a lot of interesting things people are thinking about. I know back then Bill had ideas. Redfearn had ideas as to how to make the market quick and more efficient. Markets are always evolving, where you've always had the situation where you have big players in the market like Virtu, like Citadel, how to make sure everything's fair, high-speed trading, et cetera. And I know Dalia had a lot of changes she wanted to make as well, and she did. So that just turned out to be a lot of rules, very busy, but that was good.

KD: It sounds like these rules were matters of adjustment rather than big programmatic changes.

RS: I think the biggest one was BI. Other than that, I think they were just evolving markets. It wasn't something like the environmental rule or anything like that, no.

KD: Right. Before we go further, let's talk about how the office looked. I am thinking there were about 150 people there, something like that.

RS: Yes, that's about right.

KD: How was it divided up? What were the groups?

RS: Four big groups. We had Appellate run by Michael Conley at the time, he just retired, amazing lawyer, probably my right-hand man if you would during everything, just the man, always involved in everything in the building, a real institutionalist. I think you've spoken to him before. Just a fantastic person, a fantastic lawyer, had a great feel for what's important. We see the world a little differently, but we're really close. We're great friends. And I talked to him to go through some of the cases again. To remind myself, I talked to Michael in preparation for this. He was awesome. It's a really prestigious great group. People who could work anywhere but choose to do this at the Commission, really, they're fantastic. They get all the cases, all the rules cases, into the circuit courts. They also work with Supreme Court on Supreme Court cases with the Office of Solicitor General. They work very closely with the Justice Department on appeals, civil justice. It's quite a great group. We also had something that was run by Jeff Finnell, who's the acting GC at the moment. Jeff used to be an office mate at Willkie and became a career SEC person in Enforcement. I brought him up to the office when I came in to be GC, and Jeff ran what we call Adjudication. Jeff had a pretty remarkable record of 50 or so adjudication matters, all unanimous, and try to do that sometime with the politics of DC, pretty hard. Pretty impressive, I thought.

KD: Is this the Administrative Law Group, Adjudication?

RS: I think these are the people who would do the appeals from FINRA, these kind of things. It's not the enforcement appeals of the cases we're bringing from front of the ALJs. It's a little different, right? Then, there's General Litigation, and it's almost like the GC's office at a law firm or a company. So they handle the employee issues in the building, labor relations, and the union contract, leasing of the office space. They also do some attorney discipline. They do everything, so everything else is this group.

KD: What was the name of that group?

RS: I think people just call it General Litigation. They have formal names, Legal Policy 1 and Legal Policy 2, but there's no reason to use those. Michael always called it General Litigation. Legal policies, the rulemaking stuff is generally how we think about it. Also, Laura Jarsulic was the person working with enforcement. She's in that group on a weekly basis. She would always work with them on the calendar. And then there's somebody in that group that also does legislative affairs, but that's just where it is. Adjudication, that's Finnell. That's the Litigated Administrative Proceedings, which they're not doing a lot of anymore. Those have kind of stopped. They still have some things they need to do, but those are generally technical at this point. So they would do those and the appeals from the SROs, the selfregulatory agencies, and the disciplinary stuff that FINRA and others would do. They would hit those.

There's a fair amount of those appeals. They were busy and they have to write an opinion on each of those and work with the Commissioners on the opinion, and then the commissioners would sign on or not. They'd adjust the opinion, so they would negotiate the opinion. That's how you get 50 unanimous decisions.

KD: You said there were four groups. What was the four?

RS: The Legal Policy is the rulemaking, right? General Litigation is the stuff... Jeff Rosenblum ran it when I was there, and then it changed near the end. So, that's matters ranging from employment, the people in the building, labor relations, anything that happens with an employee. It's like the group in a company. It's like the GC's office at Revlon or whatever your company is. The policy rulemaking, the general litigation, the people in the building, Appellate, which is Michael Conley, and then Adjudication of the people dealing with the administrative proceedings and the appeals from the SRO. So, those four.

KD: And you talked about writing opinions. How closely did you work with the legal policy people for that?

RS: So. Legal policy is the rulemaking. So, I would look at the rules. I would always read the rules, and Michael Conley and the Appellate team is always involved in the rulemaking because they all get sued. Every rule gets challenged even back then. So, he's looking at things to make sure—because he knows he's going to have to defend it in court, he's trying to position it in a way that's defensible, and they're also making sure that we've addressed all the comments so we're not failing to comply with the Administrative Procedures Act. So, we're all reading it. I read every rule, important rule at least, as well. And then I also would read the opinions. They do such a good job. If you heard the briefs, not the complaints but the briefs, that would be put together in the Supreme Court and the Appellate court actions. I would read those. They'd all get sent to me. I tended to try to have a pretty light pen on those because, A, I'm not a litigator and I've got Michael Conley, who's the best, looking at things as well. But also, you've got the Solicitor General's office, you've got the Justice Department. I tried to have generally pretty light comments and let my people do their thing, and they're pretty good.

KD: When you're taking opinions to the Commission, were you ever in the position where you're really trying to sell something to the Commission, or did you really let them stand on their merits and explain?

RS: There were some. You'd try to go around and get more votes on things. The Commissioner Lee, Commissioner Jackson, at the time, you'd go talk to them about where you're going to end up on something and the positions of the chair. That was also done by the chief of staff, Lucas Moskowitz and Sean Memon. They would also go out and try to talk to them and sell things. My job is to represent the building, so it's not so much for me to go do that. I sometimes would go there and have to talk about ramifications and I would often take Michael with me, and sometimes people agreed and sometimes they disagree and for various reasons. They're entitled to do that as commissioners. They would talk about the GC position on these things they want to make. Sometimes, people question whether it's a permissible thing. We were not taking any stances that we thought were impermissible. And Jay was great that way. Everybody has different views as to how involved the GC's office should be. We were probably as involved when Jay was there as we've ever been. Michael was very valued, obviously my relationships with Jay, so we were really involved. Jay did not want to lose court cases, as I mentioned. We lost some. When you show up, it doesn't take one year for these cases. We lost a couple in the beginning. These things had been old and cold, showing up on our plates when we walked in. But I think if you look at our record near the end of the term on the matters that started when we were there, I think it's pretty good.

KD: I want to get into those cases, but first I want to just clarify something. You used a phrase I'd never heard, which is your job was to represent the building.

RS: Well, I'm in charge. I represent the SEC. I'm not just Jay's lawyer, I'm everyone's lawyer. I represent all the commissioners. I don't really represent them per se, but I represent the SEC. I'm the SEC's general counsel.

KD: Okay.

RS: That's how I view it.

KD: Okay, great.

RS: I have a special relationship with him. But at the same time, I understand my obligations.

KD: How about Amicus Program? At various times, the general counsel's office had different degrees of activity in that area. Did you have a strong Amicus Program when you were there?

RS: I think I would call it a standard one. I don't think it was one where we were trying to direct people in certain ways. I think maybe the last time that happened is when they did some of the reforms to try to have less class action, some of those things, the Private Security Litigation releases, and that was a little amorphous as Congress can be sometimes. We were trying to fill in the blanks I think, at the SEC back then, at least the view from Michael is, and then go around and looking for cases to bring an amicus in, to file one in, to try to guide behavior, to let you know how the SEC was viewing this at least. I would call it a standard amicus time. It wasn't like we were out there looking for cases to write amicus briefs on. It happened. Judges asked for our views, but it wasn't something we were actively out in. I talked to Michael about this. His view is he would call it historically a pretty standard time for amicus briefs.

KD: Okay. Well, let's talk about cases. The first one on my list was the Gentile case.

RS: Yes. I had some notes. Let me just dig Gentile up. It's the injunction case, right?

KD: Yes.

RS: Yes, so I think that one kind comes out of... I don't think you could talk about that one without talking about Kokesh and Liu, right? I think you need to start there.

KD: Right. Let's start with Kokesh then.

RS: Kokesh was a 2017 case, and I talked about that's when we started. So, this is one that was in the works for a long time before we showed up. It was in the Supreme Court. They basically held that it was a disgorgement case and the SEC remedies... Hopefully, SEC has a lot of remedies, potential remedies, and people were concerned after this defeat in the Supreme Court. It was really going to affect things. I don't think it has that much. Basically, disgorgement was determined to be a penalty within this provision of the US Code 2462. And thus, anything that's a penalty under this provision of the code has a five-year statute of limitations. Thus, when the claim accrues, the penalty needs to happen and be issued within 5 years. You would think that's plenty of time, but sometimes these things drag on. I think there was a lot of back and forth in the building on this one because certain commissioners would be very interested in what we're arguing, what we're going to argue, the idea that, at 10 years, you're out there and you're still not at the statute of limitations. Some Commissioners would be like, "What's going on here? This is too long." Anyway, we argued and lost basically, and then the other cases kind of flow out of that because the court didn't determine—they basically had a footnote that said, "We're not opining on whether disgorgement's a permissible remedy at all," and so people immediately started bringing these claims that it's not just that it's not okay after 5 years, you can't bring it at all. And that is the Liu case, right?

KD: Right.

RS: It's the case that we want. And that happened later in our term because these cases started happening right after Kokesh got brought in '17. So you started to see all these claims, and then it worked its way up to the court, and then we won that case 8-1, which was a nice victory.

KD: What was the difference?

RS: Well, the court just determined that disgorgement was okay. They put some parameters on it. I would say was it 100 percent victory? No, it was somewhere in the middle. We still won. We're still able to have disgorgement, but there were a couple requirements to it. Number one, if it was a total fraud, this doesn't apply. But if it was a real enterprise and it's just that things went wrong and there were some disclosure claims or whatever it was, it was a net number at the end of the day. If you had expenses, you could deduct those from what your disgorgement was going to be. So, net profits had to be disgorged, and where are they going to go? It was determined that they needed to go back to investors. Since this is supposed to be equitable and not a penalty, it needed to go back to investors, the money. So, you had to make an effort to return the money. Now, sometimes, you can't do it. You can't find anybody. It's not possible. At that point, the court didn't really say what would happen, but I think the courts have generally understood that sometimes it just is going to go back into the budget of the SEC. There's nowhere else to go with it but do have to make a strong effort to try to return the money to people. If it's not much money, do you have to spend \$1 million to hand people back 10 bucks? I don't know if you do. That's a case that's sitting out there. And then Gentile comes next, and that's a third circuit case. It's again statute of limitations and whether that same provision of the Code 2462 applies to injunction and whether those are penalties. It's basically the Kokesch decision again, and we won that one. It was determined that injunctions are to prevent the future wrongdoing as opposed to deterring people and slapping people for their actions in the past. We talked about the injunctions that the SEC likes to bring, and they're like, "You're not going to violate the law anymore," things like that, and so it was determined that those were still okay. You see a ton of them in SEC actions. I don't know that they've turned out to be so important, but they do lop them in there. Anyway, we won that case. It was determined that they're forestalling future violations rather than punishing past wrongdoing, and thus they're not penalties, thus they were okay.

KD: So once those cases went through, was the SEC in sort of a different territory, had that changed the ground in any way?

RS: Once we won all these cases, I think it was fine. You have to adjust your damage stuff a little bit, but it wasn't that hard. We can still have a disgorgement, right? There's a statute of limitations that applies to it. That doesn't sound crazy to me. Five years is a pretty long time period. It gets enforcement moving, and then you can still have your injunctions. If you're going to have disgorgement, you have to do the net profit thing and you have to try to have the money back. These aren't crazy ideas. I think it's very workable. So did we have to make adjustments? Yes. Were these a big deal? I personally don't feel like they were. There were a lot of articles written, but I think they worked out just fine.

KD: How often did you work with Michael Conley on this stuff? Did you talk to him every day?

RS: Michael sat right next to me. We talked every day. Not necessarily on this particular stuff, but on stuff every single day. Michael Conley, in my view, is the best employee in the federal government until he retired. He could go monetize for millions of dollars. He chooses not to. He doesn't care. He is a great employee of the SEC, as good as there's ever been.

KD: Anything else we should talk about in terms of cases?

RS: Yes, I think the other cases are the cases relating to the Lucia, Jarkesy stuff. Those are the other ones I think are pretty interesting as to where those are going.

KD: Yes. Talk about Lucia.

RS: Yes. So that was an interesting one because we were involved with the whole federal government in trying to figure out what to do. I think a lot of the people didn't like the idea that these administrative proceedings are happening outside the court. I think actually, in my view, it was at least a mistake, some of the cases the SEC brought in there, and I think Michael agrees with that. That started to happen around 2014. The cases that you still see winding through the court were brought from 2014 to when we showed up. Before the SEC didn't really have the ability to go into the internal courts and look for civil penalties.

It wasn't allowed. And then it changed to Dodd-Frank, and then nothing still happened. But around 2014, they started to use them, and that was where the mistake was. I actually felt like the courts were pretty fair, to be honest, but I thought the perception wasn't good. The idea that you're making determinations of people's credibility and be able to allow big penalties in in an interior court is not a great look. So I think that was a mistake, and I think this mistake has been rectified, but there's been a lot of court cases that have come out of the mistake. When you started bringing these cases against people that had resources, people from hedge funds like Lucia, he can fight back and he did.

KD: Okay. It's the judge, jury, and executioner thing, I guess. But just to clarify, the ALJs have been there for quite some time. What was the mistake in 2014?

RS: Start bringing in cases, the civil penalty, insider trading type of cases in those courts as opposed to the more procedural cases, default judgments, things like that. Those, efficiency-wise, make all the sense in the world to do through there. Something like, "We can fine you \$100 million," those do not belong in those courts, in my view. We stopped bringing them in those courts. I think it was a mistake to bring them, and I think those cases all came out of there and ramifications are still being felt in the federal government. The Lucia case was an SEC case. We brought in... The solicitor general did not... They're very good at picking the winning side and they knew we were going to lose. We still fought it and then defended the case, but we had to bring in—the judge appointed somebody, one of his former clerks, Roberts, to take our position. The SG was on the other side, which meant we were going to lose, and we did. The SG's office was very concerned about the case because we have three at the time, and you can have up to five I think when we were there, but three ALJs, Social Security is 1,400. If you took all of those cases and moved them into an Article III court, it would not be good. It's a real issue for the Article III courts. They can't afford to do that. So you had to do something that was not going to knock out those cases from the perspective of the ALJs of social security and maybe a couple other agencies, but would still address the SEC cases. That was their concern as to how these were going to play out. And at the end of the day, the court found that the ALJs were constitutional officers. This kind of comes out of the earlier cases related to the commissioners of the PCAOB cases. That was before we showed up. But they find that the ALJs are indeed constitutional officers, and they were appointed incorrectly, and that's easy enough to fix. You can just go appoint them and then have a new hearing. But there's another issue, which was removal. That one, the court did not address. We asked them to address it and they did not get to it. That was then going to be sitting out there as an issue as to, after the PCAOB case, how many layers of removal protection are you allowed to have from the president? And the answer was one. The ALJs had more than one, so that was always going to be a problem. They had the Merit Protection Board; they had two and a half. We had arguments as to why it was still okay, but we knew it was a risk. So Jarkesy happens, and those cases had to work their way out, and they happened after we left the end result. Jarkesy was happening while we were there, but it doesn't get to the Supreme Court until later. It was basically found that, again, the removal protections were not okay, and so it finally got addressed. Now, it got decided on a Seventh Amendment ground, jury trial right, up at the Supreme Court level. People still would have the ability at this point to make a constitutional claim, which they didn't get to say that the ALJ process, in general, is illegal under the Constitution because of removal issues. They didn't deal with that at the Supreme Court level. There is some risk that the SEC still has for these kind of, "Anything happen at the ALJ level." But as long as it's default judgments and things like that, I don't think there's much of a risk. But if you actually restarted bringing these cases again, there'd be a lot of risk. So, I don't think you'll ever see those things happen again.

KD: Okay. Any other cases we should talk about? I'm glad you brought those ones up.

RS: No, I think those are the main ones. It was very interesting to watch it happen. Health and Human Services had 60 ALJs, and I want to say they had a backlog of 100,000 cases. Same concept, you can't just go toss those on the courts. I thought Sotomayor's dissent in the Jarkesy case was interesting because she was positing that there's a number of agencies that have the ability to... The way the court decided it was they talked about an exception and all you were doing in the removal cases was public benefits, which is the social security cases. It's okay. You don't have the right to a jury trial, but if it's penalty as

you do. Sotomayor mentioned another 15 agencies and said, “All of these have the ability to do penalties.” Now the question is, are they doing it? Some of them don’t even have ALJ, so it’s kind of theoretical, I think, but it’s still an issue that’s sitting out there still for the federal government, but I don’t think it’s necessarily a very real issue. I haven’t heard anything. I think things are still working just fine. I think these cases came out in a good spot. Usually, the court’s pretty thoughtful and I think that it’s working, which is good. Okay.

KD: What was it like managing the office during COVID?

RS: It was challenging. As you might know, we were the first agency to shut down I think. We had some cases. It turned out the case that started at this all in the SEC, someone who actually didn’t end up having it. People were very concerned. We were very concerned tracing back. As you might remember, it was a very challenging time figuring out really how close you could be to somebody, how far back. They were contagious, and so this person had gone to a doctor and they said, “We think you have COVID,” which he did not have, but we were very concerned that he did. So we started to look back where the person was, telling other people, and people were very concerned, understandably. We basically shut down floors. And then another case happened and Jay just said, “You know what? They’re going to keep happening. We’re just closing the building,” and so he did. And there was maybe 10 of us that still came in. The markets people still have to deal with the markets, right? So TM, there was a bigger group. But other than that, it was just going to be division heads. Everyone else was going to have to work remotely. So it’s a real challenge for the tech people, but they did a great job. And tech at the SEC is challenging because let’s say—somebody gave me numbers once—J.P. Morgan has a tech budget of \$6 billion and ours is \$6 million or something like that. So, it’s hard to get the same people. We can’t pay them as much, but we still had good people and they did a good job getting everybody working remotely and we still functioned and, obviously, we were proud of it. I just drove down every week. I commuted for 4 years every week, so we started driving instead of training. It was the only difference for us. And you’d walk down the streets; there’s nobody on the street. That was different. The lights are off in Congress. That was different, but it was good.

KD: What kinds of work lent themselves to working remotely and what were some of the things where people really needed to be in the office or where you had to make special arrangements for working remotely?

RS: The court cases are tricky. I don’t think it’s as effective when you’re having to argue remotely. You want to be in the building. So, those were always challenging. Technologically, some of the places... We had some concerns about some of the technologies. We were good with some systems and not others, but some of the courts would flip-flop that, vice versa. So we had to have special computers to not... I think it was actually they were concerned with some of the data being scraped into China to call it instead of what it was. They had special computers and systems that you could do video stuff just in courtrooms and it was just limited just to that. That was the only data that—you weren’t in the system otherwise. So, that was always challenging. Litigation’s a big part of what we do, in that group. So, that was going to be tougher. Just having the meetings is tough. Not having everyone in the same room at the Commission meetings is tough. Not having everybody in the office... Every Monday, Jay would have a meeting of everyone, all his 30 division heads, division and office heads, and they’re not all there. You lose energy in the building. I don’t think it’s as effective a place, but we still did a nice job. I think TM’s the other part of people. They need to show up some because they’re regulating the market. So, some of those people had to show up and they did, at least had to try to protect them, make sure they’re safe.

KD: Were you still on lockdown when you left or had you changed back?

RS: I don’t remember to be honest. I left in ‘21. I don’t remember.

KD: Okay.

RS: I think things started to get better with the vaccines out in '20. In the summer of '20, I think things started to get better, but they didn't come back to the office until a couple of months ago. Right?

KD: Right.

RS: So they only go in every 2 days or every 2 weeks, I think. Yes.

KD: Okay. Something really interesting is your work in the CARES Act.

RS: Yes.

KD: It's something like detailed to the Treasury? Tell me how that worked.

RS: The Treasury general counsel is a friend of mine, Brent McIntosh, at the time. He is now the Citibank GC, a close friend, and then he became deputy treasury secretary. Undersecretary for International, I think is the name. But remember, it's COVID. Nobody can travel, so there's nowhere to go. He is doing it all remotely, and then this liquidity crisis happens. Trump's sending money out to everyone to try to keep the economy going here with COVID, and so everything is getting funneled through the SBA and they're making these loans with the banks. That was pretty well done I think, to be honest, to get all that money out there that quickly. And yes, there was going to be fraud. You accepted that because you had to save the economy. The people needed money, they needed jobs, they needed to work. A lot of money got sent out and one of the areas of focus were the planes, because no one was flying, and saving the airlines. We still wanted an airline industry, and so I was sent over there to try to help. And I did my day job as well, so I would still help out. They're doing kind of private equity deals where they're trying to get paid back, get some equity in the company for doing this. This is my world; this is what I do. I just keep the documents, drafting and anything else, so I could be helpful. They had a great team anyway. I don't know how helpful I was, but I go over there and made suggestions and read documents and drafts. And they used documents from earlier deals, from the '05 meltdown of the financial sector when the government was taking equity in Goldman Sachs and places like that. Those documents were used and warrants and all the rest. It's kind of right up my alley, so I just did both jobs.

KD: So, you were essentially working on the deals that would save the airlines?

RS: Yes.

KD: Okay. How long did that last? Was that a few weeks, a few months?

RS: Yes, it went pretty quick.

KD: Okay.

RS: It had to. They needed the money or they were going to be bankrupt, and they're saying, "We can't make payroll." All the CEOs, if you remember, came to Washington. I thought the treasury did a great job. The country came together. It was nice.

KD: Okay. I've talked to a lot of people about the SEC adapting to cybersecurity, and I was surprised to see that they did an operational review or some kind of investigation regarding a breach of EDGAR.

RS: Yes. The breach happened before we were there, but we were alerted to it by, I think, the FBI. Jay was always a big believer in eating your own cooking. So if we had a breach, we were expecting corporate America to disclose a breach like this and we were going to disclose a breach like this. We did and then, of course, Congress got very interested very quickly. Jay delegated to the Office of the General Counsel the investigation, and so we had also some people in Enforcement helping. A guy who ran the Boston office at the time led it together with Jeff Finnell, from my group, who's the current head of the office, he's the acting GC. Anyway, it was a great investigation. They did a great job and they sat there and testified to the committees. I was there and did the committees, the congressional committees. I think

there was more staffers than the committees themselves, but told them what we were doing, told them the results of our investigations and... Yes, it was good.

KD: What did you find?

RS: We found that this is kind of state actors that people have been inside the EDGAR system. And the way that they were doing it was pretty sophisticated, so they definitely made some money on this. We brought charges against people, type of charges. We think it's important to bring that, but nothing's going to happen. People aren't extradited because those people are from Russia, but it was really Ukrainians. There were some US people, people from Russia, from the Ukraine. They got in the system and they weren't in all of the system, but they were in EDGAR. And they would look at the test filings and the people didn't use dummy data, they say, "Here's what my quarter is," and they used real data. Then they could see the numbers before they were announced to the street. And they had to be sophisticated enough to know how the street was going to react to the numbers. Because if it's just going to be, "Oh, that's the standard quarter," the stock's not going to move. But they had to know that it was either a great quarter or a bad quarter, and then the stock was going to move one way or the other and they could get on the other side of the trade. They made a lot of money doing it, so it was pretty sophisticated. Anyway, that was the EDGAR hack.

KD: An internal investigation like this, was this something that there was already kind of a formula or a procedure that you just pulled out of the closet or did you kind of create this thing new?

RS: I think we created it new, but we have people... This is kind of what we do. Paul used to work at the US Attorney's Office in Boston, and these are people who are used to investigating things. Whether we're given a tip, we talk to people, we take testimony, we look into things. This is one-on-one, what we do in enforcement, so we're going to be good at it and we were.

KD: Right. Cybersecurity, in general. Were the rules in place at that time sufficient to protect investors or did that continue to be an area of interest for the commission?

RS: It has been an area of interest for the Commission. We passed rules and then there were more rules passed, I think, or I forget when the rules came in. But I think the advice I had been giving people for the longest time, there had been some cases we brought, let me just start there. And the cases were from some pretty egregious facts and boards weren't getting enough... there weren't good enough procedures and processes, I would say. I think the way this worked is we passed some rules, and then Chair Gensler passed some more. But I think that if you go to corporate America now, they're all over it. I speak to a lot of boards. They are front and center on this. Some of the cases that happened, one really comes to mind where there was a breach that tech people knew about it, the board didn't know about it, and it was a material breach. And if it involves social security numbers, it's material to the SEC. It is, full stop, and so there were people's social security numbers involved. And I forget how many, but whatever it is. If there's one, it'd still be material. But I mean, there was a lot more than that. So, this was a material breach. The board doesn't hear about it and they open up the trading window still, and all these executives trade and this information never gets out. And finally, they trade at a nice high price. And then the information comes out, and the stock goes crazy down. You can see how ugly that is. I think it was Solar Winds maybe. Anyway, so there were all these fines levied and everything else, really ugly. That's not happening anymore. Boards now are all over it. Every quarter, the head of the tech group is in touch with someone from audit or one of the other groups basically. At every board, every public company board is saying, "Tell me what's happening. Are there any breaches? I want to hear about the breaches," so there's great communication now. It was really a pretty well done that it got out there, and there were some more things that happened under Chair Gensler. I think one of the things is where the SEC would be accused of kind of Monday morning quarterbacking a little bit. Because I think there was some sense that, nowadays under the new rules, the board has to make a disclosure when there's, quote, "a material breach." And the advice I used to give to people was, "You'll make a good faith determination and it won't be second guessed by the SEC. Just have good support for it, everything else." I think I was told that was no longer true because people thought that there weren't enough disclosures happening. People were all taken the

position that it was immaterial, and they wanted to get a different message out there to people. So, some cases were brought in November. I think if you read them and you read Commissioner Peirce's dissent, she would say, "You're Monday morning quarterbacking," to send a message, "This is what you're supposed to be doing as to the materiality decisions," so I don't think you'll see that happen again. If the board makes a determination and they have good processes and good information, a good record, I think they're going to be okay. That's what I'm telling the boards. But boards are all over this. In reality, I think it's been an area that is still a focus. If you read risk factors and perspectives, there's always tons of disclosure about cyber risk and all the rest, privacy rights, everything. And if you blow it and you mess up, still there's going to be class actions. You're going to hear from the state people, you're going to hear from the SEC. There's going to be investigations. It's still a huge deal if there's a breach, but I think the boards are all over it. It doesn't mean you're not going to pay lots of money if there is a breach, because you are if there's a breach of social security numbers and things like that. But I do think the SEC has positioned this well where corporate America is really attuned to this. It doesn't mean it's going to stop because stopping breaches is really hard.

KD: It's like stopping fraud, it's not going to happen.

RS: Right.

KD: Anything else we should talk about from your time as general counsel? For example, how did you feel that the general counsel office worked? Was it arranged, set up, great? Were there things that maybe you would've changed?

RS: Change is always hard, right? I think there's a structure and there's so many senior and junior and everything. There's always some people I thought were fantastic and I would've liked to have been able to give them promotions, and it's hard to do it. And it's not a promotion. We all make the same basically. So it's not going to be monetary, it's going to be a title. People do it for their love of the institution because it's a good place to work. They like the work but they take a lot of pride in the title, so I would've liked to have been able to give some more titles out to people. I wasn't able to do it. I think in general, I think the OGC is fantastic. I think it's really effective. I think it's the more it's involved in everything that's going on, the better the Commission operates. And I think it was probably as involved with everyone else as much when I was there as it's ever been. It maybe ever will be. I think it was a great time to be at the SEC. I think Jay, he just hired a bunch of people in senior management who cared about individual investors and cared about the country. And I think if you look to see who was a Democrat, who was a Republican, it's going to be very mixed. It didn't matter. Just a bunch of people who cared. I don't think that was true at the last administration, I don't think it's going to be true this administration, so I don't know that that's going to happen again. But it was a great time to be there. A bunch of people who really cared about the institution, who cared about the mission. I thought the SEC was fantastic. I really thought the employees were really fantastic. I really enjoyed the job. I had a great experience. I'm really proud of it and really loved the place.

KD: Terrific. And then you went back to Willkie after that, right?

RS: I did.

KD: Okay. Did your practice change? I would assume that you were a little more high profile.

RS: Yes, if you do a job like this. My wife's up in New York, so you have to be away from her. And Jay has kids up here, and so he's away from his family every week. For 4 years, we commute every week and stay down there together. And then come back on Friday and then do it again, for 4 years, so it's a lot. You missed 4 years of your kid's life, which is a lot. I'm away from my wife. Another thing that happens is all your clients go somewhere else, whether it's in the firm, whether it's to a different firm. So it's challenging from a client perspective because all these clients you've built up for 20, 30 years are now with someone else. That's challenging. Everyone assumes now you're a corporate governance securities law expert, which you may or may not be, but... So you can come in and speak to that, and that becomes a

bigger part of your practice. Most people who are the GC are litigators and so they can do investigations and all that. That's not what I do. I can do investigations but I don't litigate cases, so I'm not going to do that. I do deals, and so I have to get new clients and new deals and everything else. So it's a little different, challenging. But was it worth doing? Absolutely. I speak to boards a lot. I speak to conferences. I speak a lot and I write a lot.

KD: Yes. I've noticed that, and it's interesting. You made some public statements, in the journals and things, about some of the things that the next Commission did or was involved, in climate, crypto, that kind of thing.

RS: Yes.

KD: Was that just a natural thing to do or did you think real hard before you put those
RS: Well, I don't mind giving people my view, and I think... I'm on former Commissioner Jackson's board at NYU, and I told him after the West Virginia EPA case came down, I said, "There's no way that the climate rule is going to survive," and I ended up testifying about it later in front of the House Financial Services Committee. And I said, "My view as a lawyer is I don't see how it survives. And it also might fail since we're already requiring all the material information anyway, even before the rule comes in. There's kind of a cost benefit analysis at some point that kicks in under the APA, and there's a lot of cost and I don't know how much benefit since all the material information's already required, but okay." So I thought it was a mistake for the SEC to go down this road. I can only imagine how many hours it took from my former office to write it. I didn't think it was a worthwhile endeavor. People have different views about this. Commissioner Jackson said, "You're wrong. It's going to survive," and I said, "Okay. We're going to bet 5 bucks, and I'm going to win." I don't know that I'm going to win because... Well, I still might win because it's in a circuit that will probably knock it down. The Supreme Court would definitely knock it down. The SEC stopped defending it, but that doesn't mean it's not going to go forward. I don't know that it's going to go forward. There's a lot of state AGs involved, and they can pick up the case if they want and go forward with it. Would the SEC come back on the other side? I don't know. But there's state AGs on both sides, so it becomes like a political analysis because if it gets knocked out, you'll never see it again. But if it doesn't and they just do a new economic analysis, which is what they would do otherwise, and come to a different rule conclusion and obviate the rule, it might come back again. So, what do you do from a court perspective if you're... I don't know. I don't know how this is going to play out, but it'll be interesting. But speaking about it, I was happy to give my views about it. I didn't like that it happened. There's some things that... We all have views, right? Those are just my views on this. I still think it's a great place. I just didn't agree with the decision. But when I testified, I told Michael, I got up there and I said, "Listen, I don't blame the staff. They do what they're told and they will—this is the ping pong ball. This is how it is at the moment. And they were told to do it and they did it." Okay. I didn't like the decision from management. But I thought the staff's perspective, I don't blame them for one bit.

KD: Anything else that we should discuss that we haven't?

RS: Not really. I think the big point was the importance of OGC being in everything. Being the General Counsel of the SEC is an amazing job, and the quality of the people are fantastic. I think the more involved they are in the building, the better the building runs. I just think the SEC has a very important mission for the country. I think we're pretty lean. I know everyone's concerned about leanness these days. We're 4,500 people. It'll get smaller, but they do a lot. They punch above their weight. I do think that having them back in the building is good. I think that will be good. I don't know that they need a new building. I don't think they do. I think that current space is fine. And I like the fact that they're close to Congress, not out somewhere like the FBI is or something in the suburbs. I think the building's going to be fine, I think Paul's going to do a good job, and it's a great place.

KD: Well, great. Thank you for talking to me today. It's been a lot of fun, and I've learned a lot.

RS: Thank you, Ken. Nice to be with you.