Anita Nagler Oral History
Interviewed by Dr. Kenneth Durr, November 12, 2025

KD: This is an interview with Anita Nagler for the SEC Historical Society's virtual museum and archive on the history of financial regulation. Today is November 12, 2025, and I'm Kenneth Durr. Anita welcome, good to talk to you today.

AN: Glad to be here.

KD: Let's get a little background before we jump into your SEC career. Are you from Chicago? And did you get your education there?

AN: In Illinois yes, and I started at the Chicago office straight out of law school.

KD: That was around 1980, I guess?

AN: 1980.

KD: Talk about interviewing with the Chicago office and I guess more importantly, talk about what made you want to go there.

AN: I actually have an undergraduate degree in social work. People always find that interesting since I basically spent half my career at the SEC and then half my career in the investment management business as a senior CEO, but I have no investment or accounting background. So I was really, in going to law school, driven by wanting to do work in the public interest, but I ended up, surprising to me I guess, really taking to the law and doing very, very well in law school, and so had the opportunity to have a summer associate thing between second and third year. We had a lot of interviewing opportunities and what I realized in law school was that the courses that I found the most intellectually challenging were the courses that were more like securities law, tax, corporate, kind of more complex constitutional law—it's been particularly interesting these days—whereas what I realized was that the type of law that was utilized in a lot of legal public interest type work was really much more mundane, legally. Important for individuals but more mundane legal, landlord-tenant or whatever. So when I started interviewing in my third year, I was looking to do public interest work but that involved legally sophisticated issues. And I wasn't interested in going to a law firm. My summer gig had convinced me I didn't want to do that straight out of law school.

KD: Talk about the interview at the Chicago regional office, who did you talk to and what was it like?

AN: Well I mostly remember, I can't remember a bunch of people I talked to, but I primarily remember talking to two individuals because one is my current husband and one is a very good friend of ours, still to this day, Phil Stern. The reason I particularly remember that besides the personal connection is that it was probably the last interview of the day for those two and so they were punchy and more interested in just joking between the two of them and I found it kind of annoying. I considered myself a hot commodity and so I kind of called them to task on that. My husband still jokes about that at cocktail parties.

KD: What was the training like? Did you did they just throw you in, get on-the-job training, or was there a specific program that you went through?

AN: There was some kind of program where we flew to Washington and I'm trying to remember, maybe it was like a day or two. It wasn't—to tell you the truth I don't remember the training, like legal or procedural or anything like that. Mostly what I remember is, Sporkin was, maybe, head of enforcement then, and him talking about the need to never appear compromised. That any kind of appearance of

conflict that was the gauge, the appearance not the actual conflict. Frankly, that's the only thing I remember.

KD: Interesting. So you would have started as the staff attorney is that right?

AN: As a staff attorney and enforcement I had the opportunity to work with some really terrific lawyers. One of the lawyers for example I remember working with in those first two years when I was in Chicago was a guy named Pete Schaefer, he was a senior trial counsel and he was just a lawyer's lawyer and I learned a lot from him. You come out of law school and you don't even know how to formulate a question that's appropriate in a testimony or deposition and so it's stuff like that more that I remember.

KD: Just working with people and picking up their expertise.

AN: Yes and at the SEC there were many layers of review so that process of writing, and having it edited, and then meetings, and the next layer, and comments and questioning assertions and what the factual basis was before it ever, ever got to Washington to be considered hat in itself is an enormous educational process.

KD: Right. What kind of cases were you involved in? What kind of things would you have been writing about, and getting review about?

AN: The way the enforcement works is you first get a file and you kind of make a determination if something should happen. And then you open what we used to be called a MUI, a matter under investigation, but for subpoena power you had to write a memo to the Commission to get subpoena power, and so that was the writing process of formulating what generated enough interest, red flags, to impose on people with subpoenas. So that would be an example and then obviously if you were going to file an action, again you had to write another memo to actually file an action in administrative court. And that was rigorously reviewed.

KD: Okay. Did you get to know Bill Goldsberry very well?

AN: Oh yes very well. Bill promoted me a number of times.

KD: Okay what kind of guy was he?

AN: This is a weird thing to say, probably dates me too, he was kind of like a Johnny Carson kind of guy. He had that kind of way about him. I don't know if anybody knows Johnny Carson. He wasn't a comedian but he had kind of a—like the kind of guy you might want to go out for a cocktail with. He would take groups of people, he shared a boat, he had a big sailboat, it wasn't his it was a friend of his, but he had a deal where if he took care of the boat he could sail it, and he sailed it all the time so he used to take people out on it. He was kind of a, not really a party guy at all actually, he was quite formal in many ways, but he was like Johnny Carson.

KD: That's pretty good.

AN: That's a description of him yes.

KD: Very personable I guess.

AN: Yes it was great. I got along with him really great but he had high expectations and if people disappointed him, he was feared, not feared but yes, you know what I mean.

KD: Okay. Let's talk about some early cases. Things from back in that early period. One that I came across was SEC versus Professional Association. There was a person named Robert Labine and they were doing unregistered trust investments. And I think you argued that in court.

AN: That was a temporary restraining order and I think it went to a preliminary injunction, and that was the that was the level I was involved at. And that's kind of a big deal; I was a young attorney. But I noticed, you sent me that on the agenda, and I noticed it went to the 6th Circuit and my name was on that. I didn't argue in front of the 6th Circuit I probably would have been involved in reviewing the briefs or something like that. It was such a long time ago, I don't remember, but in a way that case was relatively simple. I think the issue that went to the 6th Circuit related to whether or not they were actually selling securities. We had a lot of cases like that where you had to fit fraudulent investment contract, analysis of a fraud. And my memory is that case involved them selling—well I think they were selling various things, but one of them was something like fractional undivided interest in master record deals, which it's just some weird thing. But I think what's interesting about that case, and it reflects a variety of cases that we were doing in that time frame, that's unique to that time frame, is that that was before the tax code was amended and there were just a large number of straight out fraudulent deals that only make sense if you got the tax write offs. And I don't remember then—you'd invest a dollar you can write $4.00. I don't even remember it was a highly abusive tax shelter kind of thing, and because of that they could be sold to not wealthy people. So for example that was in the middle of Michigan, it was being sold to—I interviewed witnesses who at 2:00 in the afternoon, they were going on their 4:00 shift at Ford Motor, and it was also at the time, there particularly, a very antigovernment sentiment. So part of the appeal of the selling these deals was this was a way to not only not pay taxes but kind of screw the government or whatever. Besides it being a fraud one of the unfortunate thing about that for those investors is that not only did they lose money but they didn't get the tax write off because it was a fraud. Even then, with these abusive tax shelters there had to be like some substance to the deal, and this was just embezzlement or just a fraud so these people got double whammied. And even though our affidavits and stuff were able to establish the money was being used for their sons to buy oriental rugs or whatever, it was just a straight up fraud, not legally complicated. I remember when we went to the court, I think that was filed in Flint Michigan, which was really, really, devastated at the time by a lot of the changes that were happening in unionization and globalization, offshoring for the auto industry, which makes it particularly sad for the people who got screwed over. We had to deal with picketing at the courthouse where people were very negative about the fact that we were in there trying to shut this fraud down and freeze assets. That's what made that case kind of interesting.

KD: Yes the people you were trying to protect were actually protesting against shutting this down.

AN: I don't think, again, without getting into current politics, not dissimilar to current events where I think people sometimes protest without an understanding of how they're being hurt economically. And these people were totally being hurt. Money was being stolen from these people and they were going to lose their tax write off. I suppose that us proving that it was a fraud we were screwing them over in Tax Court, but that's kind of a weird way of thinking about it because my guess is the IRS would have figured that out too. But we had a number of cases like that. That was the master record deal, I remember we had a case involving something like, supposedly you invested in this, and they were going to invest in Rex rabbit farms in Saudi Arabia. I mean really weird stuff, that was just total abusive tax shelters. But then when the tax code was rewritten and you couldn't do that anymore all those cases just—that whole thing didn't happen anymore there were just different kinds of fraud.

KD: Okay yes, and you went to Los Angeles fairly quickly after you started right?

AN: Right. Yes that was just that was just a personnel thing. There was a guy in our office in Chicago, one of the branch chiefs had gone out there to become the head of enforcement. By then my husband and I were a couple, a public couple, and he kind of solicited us to come out so we did.

KD: Give me a little compare and contrast between the Chicago regional office and the Los Angeles regional office. How were they different?

AN: They were extremely different. One, Chicago is a financial center like New York and because of that they're—I don't know what's going on at the SEC right now but it had always had a really excellent examination department, a regulatory side of the office because so many people to regulate in our region.

We had a number of exchanges just down the street from us. And then because we had such a great examination group we would get pretty sophisticated referrals out of those groups which then which then made a lot of the cases that we did more sophisticated. And at the time in LA, I think it's probably still true, I don't if there's any kind of exchange Stock Exchange in LA. The cases tended to be more, just more straight up fraud. I won't say simpler, but sort of. Less sophisticated. And I think that too, in Chicago there were a lot of career government people there. The investigatory team on the enforcement side were just a really, really experienced team who had come to the SEC with incredible experience in other places, either from the brokerage industry—we had a guy who spent a bunch of years at the CIA doing white collar stuff. I think the regulatory people had just an incredible depth of experience. And even Los Angeles had a relatively higher turnover. I think that is reflective of the fact it's just a much more expensive city and it was very difficult then, even to live on a government salary and so there tended to be a little more of that three to six year thing and then roll out. Whereas you had some of that in Chicago but you had a lot of people who really made it a career, stayed there for quite a while. And that just changes the type of work an office can do.

KD: In what way?

AN: Again, we're seeing it right now. If you've got lawyers for the government going into court who've never been to court before, that often doesn't go well. Or you don't even get into court because you just don't have the staff to put that case together. Or you don't have the regulatory staff, the exam staff, to see—and this is back then, now the markets have gotten so much more complex and the level of experience that examiners would need now to go in and see issues, it's not rocket science but it's kind of close to rocket science.

KD: Yes so that that experience wasn't necessarily there in a place like LA.

AN: It wasn't but the cases, the bottom line is there's a lot of cases to be done. The SEC does some tiny little bit of what's out there, and part of running an enforcement program is trying to utilize your human resources, which is the primary resource that you have, in a way that's the most effective. And so there's plenty of cases to do out there, that's for sure, they were just a different kind of case. So it felt very different I guess is the point.

KD: Was Len Rossen the regional administrator?

AN: No, the person who was there when we first started was Mike Stewart. He was the regional administrator and he had come from, I think, Fort Worth or something like that. But then Mike ended up leaving. I had three regional administrators in the two years I was there.

KD: Oh wow. Okay.

AN: Yes, so there was Mike Stewart then we had an interim regional administrator, that was Bobby Lawyer, who had been running the San Francisco office and then in the end—who was the third one? Because I think it was just like the last month or two before I left. Maybe that was when Sanders had been hired but hadn't come in. I can't remember. Yes so that's an example. I mean, the guy who had actually brought us out there ended up leaving and going to Washington to join the General Counsel's Office, I don't know, something like 7 or 8 months after I joined there and then Mike Stewart never replaced him so I was a branch chief by then and there were three of us—it's a much bigger office now. We all just reported directly to him, the regional administrator. It's crazy what I was doing out of law school.

KD: You got some things done besides all that churn in the in the staffing.

AN: In a way it was really great because I got enormous experience yes.

KD: Let's talk about a couple of the cases that you handled there. There was something called Bishop Baldwin which looked particularly interesting. I think the defendant was making claims about the CIA or something like that?

AN: Yes, so actually when I was in LA there were three big kind of emergency cases, and Bishop Baldwin was one of them. And again it was just one of these like straight out frauds just like a Ponzi scheme ultimately. But it was a unique case in the sense that… Well big picture, it was in Honolulu, that's part of our region, and I don't even remember what he was selling what he said he was selling, it was relevant because it was all just money being stolen. But some kind of "I'm gonna invest in blah blah blah and whatever," and the name of the firm was Bishop, Baldwin, Rewald, Dillingham, and Wong. Well, in Honolulu names like Bishop and Dillingham, this is like Rockefeller. There's highways with these names. But the guy, Rewald. he had been something like a Nike shoe salesman in Milwaukee and went out to Honolulu and then he just created this whole thing, it's just bullshit, but somehow he was able to ingratiate himself into Honolulu society and join the Honolulu Polo Club, all of this with stolen money. And he had a beautiful office. I know because we ended up using his office after we sued. We're seizing documents and stuff you with a beautiful office overlooking Honolulu with waterfall in his office and the whole thing. But it was just a straight up fraud, it came to our desk and they said they were using, whatever, some big law firm and some big accountant firm who'd never heard of him and so right off the bat we just knew it was a complete fraud. So we went over to Honolulu to file a temporary restraining order to seize assets and documents to preserve the status quo. And we got that right away and then between that and getting the order signed, because we had to do some modification, the US Attorney's Office stepped in and sealed all the documents because the CIA had gotten involved because it turned out that part of this guy's fraud had been that he had offices, he was like an international businessman, he had offices in like Kuala Lumpur and Dubai and whatever, something like eight or nine offices. They looked cool, looked really sophisticated with pictures. And it was just it was all bullshit. But he apparently had approached the CIA somewhere in the middle of this fraud. This just reflects the ingenuity of some of these people, that he was this international businessman and he had these offices in these places and he offered the use of his organization to be used as cover for undercover agents in those countries. So if you were a CIA agent or whatever in Kuala Lumpur you could say you worked at Bishop Baldwin blah blahs office, and use their address or whatever, not use the address I don't know. And if he was flying maybe he would take documents or I don't know, whatever. Now of course this is pre everything, pre cell phones. So then because of that it turned out that there were documents within the files that might reveal agents and stuff like that. It was me and two other young lawyers and we're in Honolulu and all of this is happening. So now the judge is like, I'm going to freeze things but you can't look at the documents until the CIA gets here from Washington, review documents, and in the meantime sets up a primary injunction trial something like 10 days later so we can't go home. And then in the meantime the Rewald guy, I can't remember his first name, attempted suicide. Slit his wrists so, I mean I'm laughing, I'm only laughing because it was crazy. So he's in the hospital and with his arms strapped to a hospital bed and we have to go to the hospital to serve him with the documents because you need to have personal service. So it was a crazy case, but only crazy for those reasons. Again, legally it was relatively simple. Once you got in and looked at the bank records and accounting records he was just stealing money. It was one of those cases where… He talked to his private secretary and investing her child's college education. I always think that it's one thing to steal money from strangers, it's another thing to steal money from somebody who works with you every day. Especially when your raising millions of dollars. You need their $20,000? So that was that case.

KD: And there was another one, maybe kind of similar, with a fairly colorful shameless individual, Marshall Zolp.

AN: Right, that was another LA case. The case that was I did was in LA. I think there were a number of cases done across the SEC involving him over the years because he was sort of a serial fraudster. There's been a fair amount written in the popular press about Marshall Zolp, but again, when you think about these cases factually, what he was doing, and I feel like what he did, I think it was actually a public company. I think his scam usually was that he would get these shell companies that used to be the pink sheets, over the counter stock, and get some shell company and then just create a kind of fictitious business for the company utilizing very aggressive PR agents having these PR parties. And so that particular case in San Diego involved—there was some big deal hotel fire that happened around this time frame where people were trapped in a high rise, and there was something, I can't remember, but there was

a lot of press. And so the company that this market manipulation was involved in, because it was like you manipulate the stock and then dump it, we call it pump and dump stocks. But it involved company that supposedly had created a device that you would sell to high rise hotels that people could rip off the wall and then wrap around the toilet and then you'd have a something to throw through the window, and then like a harness and you could jump out the window. And they had a big PR thing and it was in Vegas; the whole thing was in Vegas. The company was based in Vegas and the big party was in Vegas. It was all Vegas based. So we filed in the Nevada court, but again, once you just proved this was just complete bullshit. So that case was just what it was, but he did a lot of other cases that were very interesting. I actually feel like the Chicago office had a Marshall Zolp case, I can't remember. But I actually remember talking to my investigator there. That's actually the only case in which one of our witnesses disappeared in the desert. This was not our wheelhouse because there was a criminal investigation done. We ended up working with US attorney on the case because it was clearly also criminal case. A lot of these cases, and one of the cases I know we're going to talk about in a minute Tommy Quinn, often involved organized crime because it was a way to launder money. The pump and dump cases were like the early crypto cases in a way, because it was a way to move money internationally, dirty money.

KD: Any other highlights from working in LA, either the office, the management, the culture, that we should talk about before we move on.

AN: No, just that I wouldn't want to take away—I had a terrific experience in Los Angeles, I was doing things very unusual for someone with the number of years out of law school that I was, so that was really great. They all worked out well, so it wasn't irresponsible, the agency. And I worked with great people, again, very dedicate government officials. But you it's hard to retain government people in very expensive cities.

KD: Why did you decide to go back to Chicago? Was it for that reason? Because of the expense in LA?

AN: No. It was totally personal. My husband and I got married. We got married in LA, we took the bar in LA, a member of the California bar. But we got married and we just wanted to start a family and we felt like Chicago is a better place to do that. And I had the opportunity to go back to the Chicago office. Bob was at a point in his career where it made sense for him to go into the private sector.

KD: Okay. So you came back as Special Counsel Enforcement.

AN: Yes and that was literally just because they wanted me to come back and there wasn't a branch—I was a branch chief in LA—there wasn't a branch chief's job open—so they said well come back as a special counsel which was the same grade level and then the first branch chief job that opens up you'll go in there. I think I was only special counsel for a few months.

KD: Okay. Yes I was just wondering why the distinction.

AN: It was just a way to navigate around government stuff.

KD: You mentioned the 40 Act briefly a while back, and Chicago is known for doing a lot of 40 Act cases. Why is that and what kind of expertise is required, is different?

AN: Again I think that the 40 Act stuff, I'd say that if you did an analysis it's not only 40 Act but a lot of a lot of regulatory enforcement work probably came out of Chicago. And again I think it stems back to the fact that there was just an excellent examination team there. Anyways but again, 40 Act could be as banal as a registered investment advisor who is stealing money, a fairly banal case, just you get to charge 40 Act violations because he's a registered investment advisor. Some very sophisticated cases involving mutual funds or sophisticated elements of the 40 Act involving how money's managed or things that come out of an examination. And because we had such a great examination staff and really good investigators, there was a willingness to do those kinds of cases and try those kinds of cases if necessary because we knew we could do it versus an office that just didn't have that depth of experience and you need people who can testify.

KD: Yes, you mentioned the exam staff and I'm interested in how exams worked with enforcement in Chicago. Was it very close? Were you working with them from the beginning on, or would they take a lot of time, build their portfolio, and give it to you? How did that work?

AN: No, really it was two totally separate sides, the exam program and its agenda, who they selected etcetera, was driven by priorities directed from—I think now it would be truly directed from Washington but at the time I think it was more a collaborative of priority areas but also making sure that firms were in rotations and whatever the exam priorities are, so that was a completely separate thing that we did not have any involvement in. I think the only time that we might direct an exam would be if something came to our attention that was a red flag that we would say you might want to use the examination authority to look at this or whatever. Although that in itself even was a little bit, at the time there was a sensitivity to not having the exam group to enforcement work without there being, without the firm understanding that it was—maybe an enforcement lawyer would go along so that everybody knew what was happening. Even though we had the right to do that we have right to go into any kind of regulatory firm but it was just a sensitivity. So typically the way we worked was they would do their exams and maybe in the middle of the exam or maybe at the end, they would say we think there's a problem here and make a referral. Obviously if it was ongoing it would come to us much more quickly, but you a lot of times these would be things that were done and dusted, so to speak. I don't want to talk about anything that didn't actually turn into an investigation. I'm trying to remember if this particular did, but let me just say the exam team did an extensive exam of a very large broker dealer who was involved in a lot of collateralized loans, kind of made the market in it, maybe you can guess who that was, and there was a real issue about how much you haircut their assets for purposes of net capital that could have actually brought down, in fact, that market. Because you could trigger a liquidity crisis if you increase the capital, and that would have a really good example of an extremely sophisticated case that other offices didn't have capability to do.

KD: So were you moving into administration at this point, where you're doing more directing other teams in enforcement work? Well I became a branch chief in LA, so basically from late 1980s to early 1993, whatever, I had been supervising people. But somewhere in there I became the assistant regional administrator. Our office was growing and there had always been one person who was head of enforcement, the assistant regional administrator, and Bill wanted to—he liked two of us. He ended up splitting the role, having two assistant regional administrators which made sense because we had more branches, so always the idea was that you would supervise X number of branches under you, sort of like a pyramid thing, and then I was actually getting bored, and I was thinking actually the person who was the head of a regulated regulatory side was leaving and I was thinking of applying for that just for something different, and Bill wanted me to stay in enforcement so then the position of associate regional administrator was created for the first time in the office, to then become the head of enforcement overseeing the assistant regional ministers and I became the associate.

KD: So you managed a lot of people.

AN: Administrator is kind of a funny word because it sounds like paper pushing, but you're managing a lot of people, you're just constantly reviewing people in your office, reviewing cases, making decisions, collaborative decisions, reviewing what goes up, what goes down, etcetera, but you're not important anymore.

KD: There was, at least from some perspectives, the regional offices were more able to be generalists, they almost had to be because any kind of thing could come their way as opposed to folks in Washington. Do you think that was the case?

AN: I mean if you're a generalist all you're doing is securities cases I mean f you're a securities lawyer you do security cases, but yes, I guess we were generalist securities lawyers yes. That's interesting you're making that comment because I always thought that enforcement people in Washington did a wide range of cases.

KD: Sure, just something I picked up along the way looking at regional offices. Another thing that I picked up is that there was sometimes a bit of tension between the regions and the Home Office. Did you get any of that? It's all different now, because I think there was some point where Washington—my understanding is everything is directed out of Washington now. But I would say that in Chicago—I think other offices had that issue more than we did in Chicago because Chicago was considered, well we were told, and we believed that we were the best regional office and we would always get very, very, high rankings every year, they would do an evaluation process and that there was a tremendous amount of confidence from the group in Washington that was sort of the interface with the regional offices in the work that came out of our office, that if we set up a memorandum recommending this or that there was a tremendous amount of deference given to what we were recommending. Beyond deference they believed that if we said something it was true, not like other people were lying, but that there was there was enough review at our level that it wasn't going to be something where somebody got to court and evidence wasn't there. And then also if we were pushing, not new legal theories, more complicated legal theories, that we were good lawyers and we could argue those. So in general we really had an excellent relationship with Washington. Not to say there weren't times where you just want to get something done and it isn't happening at your pace, but in general we had a very good relationship with Washington. I don't know, I don't think that was true of other offices.

KD: Did you work with Jim Clarkson?

AN: Yes. I mean work with him, I think Bill Goldsberry worked with him more. But Jim was sort of the guy in Washington that if we needed to make things happen you'd go to Jim. But not really case related, which is why Bill—so it might be budget related, or staffing related, if we felt like we needed to grow our staff or redefine—there was a point where we were trying to create a new, I called it like a transition class, between what was then secretaries and then investigator lawyers - kind of a paralegal or like a junior investigator. Because there were people who were administrative assistants who just because they were smart and they had initiative, they had been given increased responsibility on cases to do kind of junior investigatory work. So that was something that when I was associate regional administrator I tried to push because it would give you a career path because at the time virtually all of the administrative assistants were women, give them a career path, and so you would involve Jim Clarkson in something like. As an example.

KD: Did that initiative work out?

AN: We did. When I was there we created, I think, one or two of those positions. I would hope there's more of them because there were some really smart people and they deserved to make more money and they actually were very valuable in those jobs.

KD: Okay, having to do with that, the mid to late 80s across the SEC there was some something of a staffing shortage did you have that problem in Chicago?

AN: In the 80s?

KD: I believe in the 80s, maybe the early 90s, but at some point some of the regional offices were really hit with a staffing problem.

AN: You mean like they couldn't fill the jobs?

KD: Yes, couldn't fill the jobs.

AN: Oh no, we never had an issue filling jobs. It was a really considered a very prestigious job. In fact I would say that when I first joined, most of the people who were hired were people like me, straight out of law school top of their class kind of people. Later, now when I'm back in Chicago office and I'm associate and I'm running enforcement many more of the people we hired were actually people out of law firms, like very prestigious law firms who wanted, this is what they wanted to do. They took big pay cuts and so I think that would indicate, almost like the way the US Attorney's Office—I don't know what the US

Attorney's Office is doing now but they used to not hire straight out of law school. They would hire people with really good experience and so…

KD: Was that a decision that the Chicago office made, to try to hire more people out of law firms?

AN: Actually, you've got somebody who's been trying cases for seven years and working at Sidley and Austin, like hello? And they're willing, that's a very competitive person.

KD: Okay. Let's talk about some of the cases that you worked on in that later period in Chicago that your people worked on. We mentioned Tommy Quinn a couple of times and maybe we spend a little time on that one. I've talked to a lot of people at the SEC and I'm not sure if Tommy Quinn ever came up, so I'm glad it did in this case. So tell me about Tommy Quinn, how did you find him and how did that work out?

AN: I'm trying to remember how the case first came up that we had two excellent investigators in the Chicago office, a guy named Stan Whitman, a guy named John Grisman. And I feel like those cases, that Tommy Quinn came from them. They were such good investigators that we used to often lend them to criminal investigations, to work with the US attorney in Chicago or New York or wherever. I feel like it came out of that, like this is such a long time ago, but Stan had been on, we kind of lent him to the US Attorney's Office in New York, he was working on the case, it was sort of a mobster case but involving money laundering through brokerage firms. Some big manipulation thing or something. And I feel like, maybe it came out of that. But I can't remember.

KD: That's okay.

AN: But cases related to Tommy Quinn, we ended up maybe having like 40-50 cases over the years involved. There were so many arms and legs of that case, and big picture it's a classic pump and dump involving public companies, involving the public markets, but it was really an international level scheme involving numerous public companies, involving numerous broker dealers, primarily in the US. At the time there were these hubs of broker dealers where there were issues. I'm saying this is a long time ago, but Minneapolis, for example, had a lot of sketchy broker dealers, and Boca Raton Florida had a bunch of sketchy broker dealers, and Denver had a bunch of sketchy broker dealers. And so you would know often if you saw, like whoever and whatever in Denver was acting as a market maker for a stock it would be a trigger that maybe it was a pump and dump and it was just totally criminal behavior. And Tommy Quinn, he had cohort, what was that guy's name? Anyways they ultimately operated out of Europe and so Interpol was involved and there were a bunch of PR firms, dirty PR firms, that would just pump out this bullshit PR stuff out of New Jersey. It was like the same players but there were 40 of them, and a lot of it was to clean dirty money, these being fictitious brokerage accounts that would be opened, and accounts would be open in the names of people's dogs, so the activity in particular stayed under certain levels. But besides him being sued there were a lot of broker dealers where administrative cases were brought and barred accounting firms. But again, like accounting firms out of Jersey City, not like Price Waterhouse. And so Interpol was involved because some of the proceeds from all this fraud were being funneled into weapons trading in Europe, I mean it was really like, this was like a movie. And so there were some very high profile arrest situations that happened in Europe with some big gun runner in the Netherlands or Belgium whose house was where they came in with those kind of gun things that smashed down doors and stuff like that. Yes and it went on for a number of years, was very interesting, and while we were investigating all these cases another case would pop up. I mean it was amazing the flagrancy of all of this. And I can't remember the name of the other guy…

KD: There was a guy named Kimmes.

AN: Oh Yes, Robert Kimmes. But there was a huge Chateau in the South of France that was seized, and it was like they should have made a movie out of it.

KD: So for you as a matter of tracing the threads all these old brokerages.

AN: Exactly, or watching the pink sheets, or watching aberrant price activity. And there's a lot of red flags right? Or you just you could actually literally look at certain PR firms and see what company they were promoting. A lot of red flags. The cases just continued to pop up. It's not like we had a devoted team that only did these cases, but there was a team of people who did those cases and then did other cases too. It went on for a number of years, just churning out these cases. Churning out those cases.

KD: Any other cases that were notable during that period? Later on when you're administering.

AN: Not as kind of exciting or fun, but one of the cases that we brought later involving a mutual fund up in Milwaukee, and it was a valuation issue. It wasn't exciting but it's a case that I think was one of the first cases in which a mutual fund was sued on a portfolio valuation issue involving debt. And later when the market kind of blew out, and a lot of these mutual funds, there were issues with the way that they were pricing, particularly debt, very illiquid debt instruments. That case has come up a lot as being kind of like a seminal case.

KD: Was this Mark Bailey?

AN: No, we sued the mutual fund, the Heartland Funds up in Milwaukee. Which are perfectly, sometimes I'm hesitant to say these things because like they're not like a bad company. Very different than Tommy Quinn where it was just really bad broker deal. It's like that movie with Leo…

KD: DiCaprio?

AN: Yes where it's like just he's just running an office that's like a pump and dump office. They all stand on desks. That movie was realistic because that was exactly the kind of thing that was going on.

KD: The mutual fund valuation issue. Did you realize at the time that this was something that could be important precedent and that you really needed to deal with that?

AN: That was a case where there was a lot of conversation with Washington and the 40 Act group there because—my memory is that that case involved a security that wasn't repriced for a number of months because it was so illiquid. So we knew that it would be something that the mutual fund industry would look to as guidance on how to handle those kinds of pricing situations. Having been on the flip side of the business, having been a senior executive at an investment management firm and an officer of mutual fund I know from that side of the business that you struggle. You're trying to do things right and you're trying to know how to do it and how to approach when you have illiquid things and what the right valuation procedure is and blah blah blah. So we knew that it would have that significance and there was a lot of conversation about how to formulate that case.

KD: So you worked closely with Washington on that one?

AN: Yes that'd be the kind of thing where we would just do the case and then we would have our recommendation but when the memorandum went to Washington to recommend action there'd be a lot of people dialoguing about it. That case settled, I'm almost positive it settled, and so the structure of the settlement how it would be articulated. Because we knew in that situation the settlement document itself would function as a road map for the industry struggling with these kinds of valuation issues.

KD: Okay you were in enforcement for the passage of the Remedies Act which changed things a bit. Was that your experience?

AN: You're going to have to remind me of that.

KD: I don't remember the specifics, but it gave the SEC the ability to impose greater penalties.

AN: what year was that?

KD: It was in the early 1990s—like 1991.

AN: Because I left the SEC in 1993.

KD: Yes I have a question about that.

AN: I don't actually remember some event where we were like "Oh wow, this is something…" So maybe it happened in 93. The reality is once you leave the SEC those kinds of things are not your thing anymore, right? It's not relevant. Now I'm on the other side of business and trying to figure out how to do things right.

KD: Tell me about the decision to leave.

AN: The decision to leave. I was just kind of looking at what I'd been doing and it's wrong to say getting bored, because it was always something different every day and the people were great, but just looking for some new challenge and I knew that Bill Goldsberry was thinking about retiring. He had spoken to me about that, that he thought he would retire in a year or so. And while I might not have gotten that job I think I would have gotten that job if I had stayed, I mean that was certainly the way the wind was blowing, and I didn't think I wanted that job. It was just one step—that is truly administrative, that is truly like you're dealing with Washington, and you're dealing with budgets, going to a lot of conferences, and you're quite a distance from legal stuff and cases and all that kind of stuff. So I didn't think I wanted that job, but then you kind of are like if you stay and you don't get the job, then it's that kind of thing. Like you think well either I have to apply for the job or I stay and it looks like I didn't get the job, and now I've got to work for somebody else, so you think well maybe it's time for me to go. And I also at that point, while I'm certainly a lawyer and I was involved in legal work as part of my job, I had been for a number of years running a large staff and part of why the office was rated very highly was the utilization of our resources in the most effective manner. And that kind of decision making that was my decision making and I felt like I was really good at that and so I felt like my skills were kind of in two baskets: one was a lawyer, but one was I was running a large department and a fairly large budget and I found that the more challenging thing as I was kind of looking forward. So I started thinking, and I am by nature actually kind of a businessperson, entrepreneurial. So I started thinking about actually buying a company, just buying a company, running a company, and I began exploring that, and I was approached by those large investment management firm in Chicago that was looking for somebody with that skill set to come in as general counsel but kind of move in to be a chief operating officer, senior executive, and so it's just like one of those weird—so I left actually, without a job. I didn't want to go to law firm, I knew for sure I didn't want to do that because I didn't feel like that skill of being able to do more with less was in any way rewarded in a law firm. And so I left because I felt like I was actively pursuing buying a company and that was not something I could do as a part time job when I was with the government. And then I was approached by this firm and it wasn't what I was thinking but it intrigued me, so that's how I ended up where I ended up going and that was a home run career choice. So things work out, right?

KD: Anything else we should talk about, anything that stands out in your memory from your time at the regional offices?

AN: Mostly no. Especially since I was associate regional administrator, I was overseeing hundreds of cases a year and so it's hard for things to stand out this many years later, but I think what really stands out for me of my time at the SEC was, it was one of the premier agencies, one working for the federal government was kind of like a premier thing over working for a more local governmental agency. And then within the federal government the SEC, US Attorney, maybe the FTC enforcement, those were the premier legal jobs and I worked with a lot of really, really smart dedicated people and it was always just incredibly intellectually challenging and it's great to have a job where for 13 years you never felt ethically compromised. No one ever asked you to do anything that you weren't comfortable with as an attorney. As I sit here now I reflect on what a privilege that was.

KD: Yes, well that's a good place to wrap up. Thank you very much for talking to me today I appreciate it.

AN: Okay, nice to meet you.