

E. F. HUTTON & COMPANY INC.

Member New York Stock Exchange

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July 14, 1964

President Lyndon B. Johnson
The White House
Washington, D.C.

Dear President Johnson:

Please permit me to congratulate you on your announcement that Mr. Manuel F. Cohen will be the next Chairman of the Securities and Exchange Commission. He is unquestionably the best qualified individual in the country for this position. Unfortunately, all too often, very able individuals are appointed to positions of high governmental authority, but they lack the background and experience to effectively discharge their responsibilities.

The investment banking community is not perfect – I know of no industry that is – we have abuses and individuals who lack the integrity which should be a prerequisite for the responsibilities and opportunities afforded by our industry. I am sure all responsible investment bankers agree that we can do a much better job than we are doing and that our industry should be rid of questionable practices and the individuals responsible for them. Unfortunately, we have too often felt that we were being operated on by an inexperienced doctor, using a butcher knife instead of a scalpel.

I have come in personal contact with Mr. Manuel F. Cohen on more than one occasion, which is seldom pleasant in our industry, because it usually means we have a “problem”. He is a tough minded, extremely able administrator who has the judgment and experience to do a thoroughly outstanding job in the public interest. He will undoubtedly be called upon to make a number of unpopular decisions, but they will be well considered and founded upon a wealth of intimate personal knowledge of the intricacies of our industry, the Commission’s rules and regulations and the precedents of past interpretations and decisions. Mr. Cohen has the capacity to become a renowned Chairman of the Commission, and I am sure this appointment will inure to your everlasting credit.

Respectfully yours,

John S. R. Shad
Vice President

JSRS/kd