

TRANSCRIPT
SEC Women Commissioners Roundtable

SEC Headquarters, Washington, DC
Wednesday, May 31, 2006

CHRISTOPHER COX: Good afternoon and welcome to the SEC's Women Commissioners Roundtable. It is great to see so many of our SEC staff here in the auditorium in Washington Headquarters and to know that so many more of you are watching from your offices here in Washington and around the country.

The women that we are honoring today, some current SEC leaders and some alumni, are living examples of the fact that when it comes to securities regulation, women rule, as my kids would say. In fact, I think it's safe to say that kids are pretty good judges of the core competencies of men and women. I was only seven years old, for example, when I became a committed feminist because I could see no reason that my older sister should be exempted from combat.

Last year the SEC Women's Committee undertook an oral history project focusing on the contributions that women make to the SEC community. The SEC Historical Society conducted interviews with the seven current and former Commissioners. Audio recordings and written transcripts of the interviews can be accessed on the SEC Historical Society's virtual museum website. When you visit the site, you can hear fascinating stories about the SEC from the perspective of the gifted women who have served and continue even now to serve as SEC Commissioners and at times as acting Chairpersons.

The distinguished list of honorees for today's program and whose stories are among those told at the oral history collection site include Roberta Karmel, Barbara Thomas Judge, Aulana Peters, Mary Schapiro, Laura Unger, Cynthia Glassman and Annette Nazareth. We look forward to hearing from each of them in a few moments.

First, I want to give a special welcome to several guests - former chairman Harvey Pitt and former Commissioners Irv Pollack, Carter Beese, Rick Roberts, Isaac Hunt and Steve Wallman. To Carla Rosati, the Executive Director of the SEC's Historical Society, to Dr. Kenneth Durr who conducted the interviews and to all of the other members of the SEC Historical Society who've made today's event possible.

As we kick off today's program, I want to pause for a moment to recognize the contributions of one woman Commissioner who will be leading us shortly, Commissioner

Cynthia Glassman. Cindy has provided leadership at the agency in many ways, not the least as sponsor of the SEC Women's Committee. Cindy has been a stalwart proponent of investor protection, investor education and clear disclosure. She's a woman of impeccable character and her exceptional experience and careful judgment have always led her to fair, objective and principled results.

It was one of Cindy's initiatives that led to the establishment of the \$85 million investor education fund from the 2003 global settlement of research analysts involving the nation's largest investment banks. She has consistently advocated the use of better cost-benefit analysis in SEC decisions to promote investor protection most effectively. And she's been a champion of improved disclosure to help investors make informed choices. She's worked tirelessly to ensure that the Commission's rule making objectives are always clear and transparent.

Cindy, all of your efforts have been exceptionally impressive and I'm equally impressed by your commitment to diversity at the Securities and Exchange Commission, by your sponsorship of the SEC Women's Committee and by the projects advanced under your leadership. Those projects include educational initiatives such as a real estate mortgage seminar, charitable initiatives such as the clothing and toiletry drives for women in the DC community and of course, launching this oral history project. This is the first in a series of interviews with women employees who've made outstanding contributions to the SEC.

Cindy, when eventually you retire from the Commission and I know that you're not leaving us yet, you will be sorely missed. Please if you will join me in a round of applause for Commissioner Cindy Glassman.

And now, to begin our Women Commissioners Roundtable, I will turn the microphone over to a woman who has held many, but not quite yet all, senior positions at the Securities and Exchange Commission, Susan Ferris Wyderko. Currently Susan is Director of the Office of Investor Education and Assistance. Today, Susan will serve as the moderator for our Roundtable. So Susan, the show is yours.

SUSAN FERRIS WYDERKO: Thank you Chairman Cox and welcome to everyone who is in our audience and listening through our web cast.

The people you're going to meet through this program are shining examples of the exceptionally high caliber of people who come to work at the SEC. Today, you'll hear from seven women, all of whom have served as Commissioners and three of whom have also served as acting Chairman. What we'll do today is first allow each person to briefly tell her own story.

We'll go in order from the first woman Commissioner to the most recent and then I will go back and ask them additional questions.

So, without further ado, we will start with Roberta Karmel who is currently a professor of law at Brooklyn Law School. She was the first female SEC Commissioner and she served from 1977 to 1980. She was appointed by President Carter and she served with Chairman Harold Williams. Roberta?

ROBERTA KARMEL: Thank you. I have five minutes to tell my story and I've had a long and interesting life, most of it, it seems as securities lawyer. So, I'll do my best.

When I was a young girl and then a young woman, I really considered myself a bookish misfit. I didn't think that I would ever be able to fit in with the world as it was then. However, all of a sudden, when I became about 35, I was very fashionable. I was a partner in a large law firm practicing securities law. I was married, I had four children. I was the super-mom or something like that and what everybody wanted to be and I thought, well this is strange. You know, I am the same person I was when I was a teenager and I felt that I was really strange and would never amount to anything.

Then, to my delight and surprise when I was 40, I had the opportunity to become the first female Commissioner of the SEC. This was a wonderful opportunity and I felt an important responsibility as well. I knew that the SEC was a serious place with people doing serious work because after law school, I had been on the staff there myself and I took myself and my job very seriously.

So, I thought well, the best thing I can do for the Commission and for women on Wall Street and in the business world is to work hard, address the issues, try and make people take me seriously in terms of the Commission's policies. I hope that I succeeded in that. I think that I couldn't have done too terrible a job because after I left the Commission, the Presidents were all set to always have at least one woman on the Commission and now we have two and I think that's very nice.

And so, I would like to thank Cynthia Glassman and Carla Rosati for having the idea for this program and Jonathan Katz and Ken Durr who interviewed me for the SEC Historical Society. Those were interesting interviews. Jonathan Katz, having been a long time staffer and a Secretary of the Commission for so long wanted me to talk about the relationship between Commissioners and the staff and all the issues that were important issues when I was a Commissioner and that was very interesting and satisfying.

And then Ken Durr came and he wanted me to talk about myself and my life and I thought wow, that's very interesting too. I hadn't thought about my life as anything of historical importance. I've always believed in understanding the past as important to understanding the present and that history matters. And so, I'm very pleased to be whatever help I've been to the SEC Historical Society and to this project. And I think that's less than five minutes.

SUSAN FERRIS WYDERKO: I don't have a hook. So, it's okay. Thank you Roberta, that was terrific.

Now, if the technology gods are smiling on us today, we will have live from the U.K. Barbara Thomas Judge. She's Lady Judge now. She was Barbara Thomas when she was Commissioner of the SEC. Her term was from 1980 to 1983 and she is currently the Chairman of the United Kingdom Atomic Energy Authority and the Deputy Chairman of the Financial Reporting Council and of Friends Provident PLC. She was appointed by President Carter and she served with Chairman Williams and John Shad. Those of you in the audience are going to be able to see the technology - the live feed we hope, by looking at the JumboTran screens in the corner. Barbara?

BARBARA THOMAS JUDGE: Hello, I really hoped you could do that. But unfortunately, it seems like although we did test this on Friday, it worked perfectly, it's not working very well today. And I'm incredibly sad because if hadn't worked on Friday, I would've certainly flown over to be there with all of you today in this very important day. So, I've never been a great believer in technology and I'm feeling very sad about it now. Having said that, can you hear me because I would still be happy to participate.

SUSAN FERRIS WYDERKO: We can hear you.

BARBARA THOMAS JUDGE: The SEC was the most defining experience in my life. It got me out of New York. New Yorkers think the only place in the world is New York and I was glad to have an opportunity to live somewhere else and find out that it was really lovely in Washington.

It taught me that there was more to life than the private practice of law for profit. It made me understand what a satisfying experience it is to work for the government and to have a chance to make a lasting contribution and to do so, as part of the most respected government agency. It gave me the interest and the courage to work abroad and it was also during that period that I had my son, now 23, who just last week - I'm a proud mother - just graduated.

My son was born when I was at the SEC and it was the first time that a Commissioner, I think, of any agency had a son. And that wasn't particularly down to me. It was down to the fact that they hardly ever put younger women on the SEC or any other Commission at those times. Lloyd was born and one week later, I was working again and about two weeks after that, I gave a speech at the Securities Industry Association in Colorado on what I felt were the great risks in Rule 415, the shelf registration rule. And I proceeded to work full time for the next 23 years while my son grew up. And the fact that he did well in school and I'm very close to him today makes me believe, as I always have, that women can combine working and having a child and that if they're very lucky and careful and don't let society make them feel guilty for working, their children can grow up happy and successful.

So, all of those threads led me to where I am today. Today, I live in London. I have British citizenship and American citizenship. I work for the U.K. government as Chairman of the Atomic Energy Authority as you said and I'm also non-executive Director of the U.K.'s Government Department on Constitutional Affairs, which is like the Justice Department. And I'm Deputy Chairman of the FRC. The FRC is important because it's the Financial Reporting Council and it's the U.K. regulator of corporate governance and of the accounting and actuarial profession. When I went to the FRC, people asked me about it and I said well I learnt how to do this when I was at the SEC.

Now, while I was at the SEC, I have two important little anecdotes to relay. One is, when I was at the SEC, I gave a speech once, which was called thoughts-while-shaving. And I said, someday in America - remember this is 1981 or 82 - men would turn on - when they were in the morning shaving - the radio. While they were shaving, they would listen to the radio and listen to what had happened on the Tokyo Stock Exchange. Then, they would listen to what was happening in the London Stock Exchange and then they would go to work on most of their stocks.

Now, an actual fact, I got hate mail. Dear Commissioner Thomas, stick to your living. Why should America think about foreign securities? Why should they think about Tokyo and London? We have enough securities in this country. This is America. Put people in jail, that's what we're meant to do.

Frankly, I wasn't all that interested in putting people in jail. I believed strongly when I was at the SEC that sooner or later institutional investors would be buying foreign stocks. They'll be buying them as a hedge against their own economy, they'll be buying them because the world was small and while they were buying them, they'd have to have financial statements so that they could compare a French company to a British company to a Japanese company.

And so, I started to be interested in international things and I started to be interested in international accounting and I was very close to the accounting division at that time and I was talking about cash flow accounting too because I was told what's in the cookie jar is what counts. We needed to have one set of standards - I thought we should have one set of standards so that investors could understand apples to apples. I started a thread of thinking, which I'm continuing to think to this day.

In those days, I remember talking actually to Paul Volcker and saying, I think we need these international accounting standards that we're thinking about at the SEC. He said Barbara, it is very naïve of you, the world will never come up to the high standards of America. But today, we have international financial reporting accounting that we're looking at now and we're trying to get the world closer together and when I went for my interview at the FRC, they said, why do you want to work at the FRC? This is financial regulation. I said, because I've been thinking about these issues for almost 25 years.

So, while I was at the SEC, I was interested in international things and I've also believed that we should have face to face, although it's not doing very well today face to face. But, international regulators should get together, they should get to know each other, set the way to have regulation that wasn't competitive but cooperative for people to know each other. And we started in those days something that was called the Council of International Regulators, which brought together people who were commissioners or who were the head of international regulatory agencies, we talked to each other. I don't think it still exists but IOSCO has taken up what we started in those days. I think we had a big, big IOSCO meeting in New York last year where the SEC was very prominent and did a tremendous job.

So, I really do count myself privileged. Today, I sit in London - I work on problems that I was thinking about 25 years ago. It was a defining moment. Everything good in my life started with the SEC because I had an opportunity to work with such an excellent staff, with such really special people who had a mission and were keen to pursue it. And I have one more minute of my five minutes. I want to just tell a good woman story because the thing I believe more than anything is that women need to look out to women and this is a women's day.

A lot of people asked me how I ever got to be the Commissioner of the SEC because I was just a partner in a law firm in New York, as I said part of the private practice of loss or profit. But, just after I became the partner, I went with my husband on a trip to China.

Now, in the late seventies, Americans couldn't go to China. It was just opening up. It was the end of the Cultural Revolution. And we were in a group tour, Pan Am tour, I don't know if anybody there remembers Pan Am, but it used to be a big airline. And on this group tour, they

were taking us on a very government controlled trip to China. Everybody was still wearing black and white in China. And they would only let us go to certain places and I am the big foodie; I am always chasing after the next dessert. And even when my son was born, we gave out chocolate chip cookies at the SEC. And I was looking for lemon meringue pie in the old part of Shanghai, the French quarter.

I was taking a few people with me. And there was one lady and she was quite crotchety. She was older than we were and she was crotchety and she was unhappy and I kept putting my arm around her and taking her with me wherever we went. We went to look for the lemon meringue pie, we went to other restaurants, we were always doing things that were little off the beaten path. My husband said to me, Barbara, why are you taking care of this lady? She's difficult, she's always unhappy. And I said listen, she's alone. She is on her own, we all have each other. She could be my mother. She could be me. Women have to look after women. Really, in the end, we are the ones who take care of each other.

So, I took her around with me and I took care of her and when I got back to New York, she did what any other nice woman would do. She took me out to lunch and it turned out that her name was Paula Hughes and that she was the most senior woman broker on Wall Street. And as I was sitting talking to this woman, I said, I was really interested to do something else, maybe I didn't want to spend my life as a partner at the law firm, if she had any ideas, could she tell me. And she did what we would all do. She said, well send me your resume and I'll think about it.

So, I sent her my resume and it was sitting on her desk and that's just when the Presidential Personnel decided to put another woman after Roberta on the SEC. And they decided they wanted a woman who was a partner in a big firm that did securities and they started to do a search. And, do you know, the first person they called was the most senior woman broker on Wall Street. And they called her up and said, do you know a woman who is a partner in a law firm that does securities? And she said, yes I do actually. Her resume is sitting on my desk. And that's really how an unknown 32-year-old girl got her first chance to be the Commissioner of the SEC, which changed her life and gave her an opportunity to try to give back something to the society.

SUSAN FERRIS WYDERKO: Barbara, they're applauding you. Thank you so much. But, Barbara you have to tell us. Did you get the meringue pie?

BARBARA THOMAS JUDGE: It was really good food. We went to the old part of Shanghai and there was a restaurant and the door was locked. There were these Chinese people mopping up the floors and I'm knocking on the door trying to get in. And I can't speak Chinese but I can speak French and I tried it out on this old man who opened the door speaking French. And he actually spoke French. He probably didn't want to tell me because it was still the Cultural Revolution. And I told him, I'm looking for this lemon meringue pie and he let us all in and we were about six or seven of us. He let us in and he brought us into the back room and you would not believe to watch Chinese men trying to eat lemon meringue pie with chopsticks. But it was great.

SUSAN FERRIS WYDERKO: That's a great story. Thank you very much. All right, the next female Commissioner appointed was Aulana Peters. She was a Commissioner from 1984 to 1988. Now, Aulana is a retired partner at the law firm of Gibson, Dunn and Crutcher. She currently serves on a number of corporate boards. She was appointed by President Reagan and she served with Chairman Shad and David Rooter. Now, although Aulana cannot be here with us today, we're going to play two clips from her interview on the SEC Historical Society website.

In the first clip, we're going to hear her explaining how it was that she came to be tapped to be a SEC Commissioner. And after a brief pause, we'll hear the second clip where she talks a little bit about some of her experiences at the SEC. Frank, we are all ready, let's roll the tape.

[TAPED INTERVIEW BEING PLAYED]

KENNETH DURR: So, the call from the SEC was second.

AULANA PETERS: The call from the administration was from somebody in the Reagan White House. I heard a story which is hearsay as to how the people that were looking for potential appointees to the SEC got my name. I will put that aside, but I don't know for sure.

KENNETH DURR: Let's share it with the caveat that it's hearsay.

AULANA PETERS: Now, it is definitely hearsay. I was told by the then Chairman of the SEC John Shad, who I ultimately served under at the SEC, that my name was surfaced by a prominent businessman in San Francisco who was a Democrat, but a prominent rich

businessman, I suppose, that John Shad had met at a gathering in San Francisco. And as I understand, it was the Bohemian Club. That's ultra, ultra enclave.

KENNETH DURR: I have heard the stories.

AULANA PETERS: And so, this is what when I first met Shad, he took one look at me and said, you're Aulana Peters. He said, well - he was talking to someone about the fact that there was two vacancies on the SEC and they needed a Democrat - two Democrats. And he didn't know where to start looking for "good" Democrats. And this gentleman said, well I wouldn't mind helping you out on that. I'm a Democrat and let me see what I can do to surface some names of qualified people. According to the Mr. Shad, this gentleman sent him three names and mine was on the list. And so, I got a call saying, would you be interested in this appointment if it were offered to you and by then, I had learnt to say yes because I'd gotten a similar call under the Carter Administration and said, I'll think about it. And of course, that opportunity was dissolved immediately. But, I did say "yes, I would be interested." I thought it was a fabulous opportunity for a lawyer and I think I'm the only trial lawyer that's ever been an SEC Commissioner.

KENNETH DURR: What did you find when you got there and sat down?

AULANA PETERS: I found that the SEC was a wonderful place to work. I enjoyed my colleagues. I probably was a little bit of a thorn in John Shad's side, but I think we had a good personal relationship and got along at least from my perspective. Probably from his perspective, I was extremely independent and that caused him some grief at that time. But, I found a fairly collegial group at the Commission. I'm meaning the Commissioners. I got to be very good friends with everybody that served. Lindy Marinaccio was there only for a year.

KENNETH DURR: Right.

AULANA PETERS: Then he was replaced by Joe Grundfest and we got to be good buddies as well. Charles Cox and Jim Treadway is to this day are dear, dear friends of mine. So, it was a wonderful learning experience and a terrific all-around personal experience. The staff were extraordinarily generous with their time and their thought and their ideas. They were incredibly attentive to detail, to a person extremely bright, dedicated. I just thought I've landed in a

government heaven if there is such a thing. I'm very proud to have been a part of the Securities and Exchange Commission as an independent agency.

SUSAN FERRIS WYDERKO: All right. The next woman appointed to the SEC as Commissioner was Mary Schapiro. Mary was Commissioner from 1989 to 1994 and she was designated as acting Chairman by President Clinton in 1993 after Richard Breeden left and before Arthur Levitt became Chairman. She was appointed by President Reagan and served with SEC Chairman Ruder, Breeden and Levitt. After leaving the SEC, she became the Chairman of the CFTC. Mary is currently the Vice Chairman of the NASD and will become its Chairman and CEO later this year. Mary?

MARY SCHAPIRO: Thank you very much Susan and really thanks to all the SEC staff and Chairman Cox and Annette and Cindy for organizing this. I think it's just a wonderful idea and it's great to see everybody.

As Susan said, I served at the Commission from 1988. Actually I served under three Presidents, Ronald Reagan, George Bush Senior and Bill Clinton. And at the time that the waning days of the Reagan administration, they were looking for an SEC Commissioner and the criteria that the White House had set out - they wanted a woman because there was now a woman's seat, thanks to Roberta, Barbara and Aulana. They wanted somebody with derivatives and markets experience and they wanted not really a Democrat, but they couldn't have a Republican because of the balancing requirements and I happened to be an Independent and I'd spent my whole career to that point, although I was only 32 years old like Barbara in the derivative market. So, I think I was actually the only person on earth who fit the bill of all three of those criteria. But I was incredibly thrilled to originally be appointed by President Reagan and then reappointed by President Bush. And as Susan also said, I served under three Chairmen, David Ruder, Richard Breeden and Arthur Levitt, all very, very different, but all really phenomenal leaders in their own way and very well suited to the times that they were leading the Commission. And I served with wonderful colleagues, some of whom are sitting right in the front row here which is very special.

I guess you asked if we would speak to kind of professional challenges and following on what my colleagues have said, I guess I'd like to point to one in particular. I came to the SEC as I said with a background in derivative markets. I had been general counsel of the Futures Industry Association and I'd been in the litigation group at the Commodity

Features Trading Commission and then served as council to the Chairman there and chief of staff.

So, I had a lot of background in futures and options specifically and virtually no understanding frankly of equity markets or fixed income markets, or really the market places or the products that the SEC regulates. And so, I spent my first year thinking of every single person around me, the staff, my counsels, my assistant Betty Davis, fellow Commissioners, the industry as potential teachers and I focused really exclusively on trying to master the subject matter of the SEC. I didn't give a lot of speeches, I didn't talk at lot of Commission meetings in the first year, but I really worked to try and to understand the breadth and the importance of what this agency does. And I'll confess to never really getting the Trust Indenture Act down perfectly. But I got pretty far on most of the others. And this was an incredibly important thing for me to do in order to really have the confidence that I needed to vote on very important public policy matters that came before the Commission, to give speeches, to direct the staff, to be an active participant in shaping public policy and importantly to vote on enforcement cases which are really hugely important to the SEC and to our capital markets but at which people's lives and livelihoods are at stake and so you want to make sure you really understand with tremendous clarity what you're doing when you vote on those cases.

I think it was really essential to my credibility that I take that approach as a Commissioner, but it was always fun as well because learning I think is always an adventure. There was no question but, given the background I had and the age I was when I came to the Commission, I really had a lot to do to prove myself as much internally, frankly, as to the outside world. And so the other thing I did was I took on a lot of tasks nobody else wanted to do. We were dealing with a problem of having our administrative precedents just languish and take years and years and years from the appeal of an enforcement action to getting it out of the Commission in the form of an opinion. So we undertook a very long and detailed study of the administrative process. And this was important because the remedies acted in past and we needed to incorporate those legislative changes into our process.

I took on a lot of more difficult EEO issues that the SEC was wrestling with at that time. It was a great way for me to learn the agency, to get to know the people, to work closely with staff and also to take care of issues that were not perhaps as high on the radar screen of others. I also focused a lot on enforcement. I did have an enforcement background having come from CFTC, so it was an area I understood, at least process wise, a little more quickly. I spent a lot of time on the international issues, Commissioner Campos and I have talked about COSRA from time to time which is the Council of Securities Regulators of the

Americas which was started a number of years ago and it kind of withered away. But we rebuilt it in those days and I guess he's done a lot of work to rebuild it again. But it was a way for us to share our SEC learning and understanding with securities regulators throughout the Americas. And I spent a lot of time on the derivative market issues which increasingly crossed the jurisdiction of the SEC during those years, particularly with respect to options and stock index features. As those debates started to heat up then and it's interesting to me that those same areas are really of critical importance to me now and what I do with the NASD. We have a very large enforcement program, lots of our people came from the SEC. We enforced the same laws and rules and regulations as the SEC did. And the enforcement grounding that I had here has served NASD I think in very good stead. Given what's happening with market places, international is continuing to be very important and of course the derivative markets are exploding. So, all of that has served to me very well and I guess the last thing I would say is, as my colleagues who've already spoken have said, perhaps the proudest time on my career has been the time I spent here and the people I worked with here have been among the brightest and most creative and most committed that I've ever encountered.

SUSAN FERRIS WYDERKO: Thank you Mary. Mary was clearly a tough act to follow and it took three years before the next female Commissioner was confirmed. Laura Unger was nominated for Commissioner by President Clinton and she served from 1997 through early 2002. President Bush appointed her as acting Chairman for six months in the summer of 2001 before Harvey Pitt was appointed Chairman.

Laura served with SEC Chairmen Levitt and Pitt. She's currently a director on a number of boards and she's a frequent guest on cable news programs. I know, I've seen you Laura.

LAURA UNGER: The reason that there was a three year lapse between Mary and I was, I was in limbo for two years, but I'll get back to the politics of being appointed by the President. But, I should back up and say thank you and it is a pleasure to be part of this program. Whenever I see my fellow female Commissioners, I think we should have a secret club. And we have to come up with a really good name for it, because all the guys clubs have apparently good names, so will work on that and we won't tell you about it of course. Maybe, we actually already have it.

I was one of those children that was always questioning my parents, maybe some of you have children like that. I have payback, I do have one. My parents always

said, you're going to be a lawyer, you're going to be a lawyer. So, I had it drilled it in my head that I was going to be a lawyer. Well, I did get into law school and I took all the basic classes and I was terrible at it. I never understood constitutional law, I never got criminal procedure, it was not my cup of tea. And then I took the securities laws, I was in New York and we had corporate law, we had contracts, we had federal securities law, we have lawyers coming out with the slip opinions and I just thought that was the most exciting thing in the world.

So, I wanted to be a securities lawyer, it was the height of the M&A activities in the late eighties, that was what was going to be in my life, only to realize that when I applied for a job at a law school, nobody wanted me. I should've saved those letters. I had a stack of rejection letters from law firms like this. So, I'm sure it wasn't for the like of a winning personality but I realized there really weren't that many securities laws jobs at law school. And so I found out about the SEC and I was in New York and I interviewed at the New York office and loved it. And fortunately my grades in those classes were phenomenal and that's all they asked for. So, I tricked my way into the SEC and enforcement and had the best time ever and then transferred to Washington. Before I went to Washington, I worked on the Business Week case, which believe it or not is back again with the same fact pattern, different people.

In any event, I came to Washington and it was a little more bureaucratic than New York and so, I was kind of looking around even though I never thought I'd ever, ever leave the Commission. I went up to Capitol Hill and Senator Alfonse D'Amato was looking for a banking and securities assistant. I was living in New York but I didn't know what he did or what the process was. But, I went up and they took me as a Congressional fellow and I did it for a year and a half and had a great time. It was a lot of fun. He became the Chairman of the Banking Committee over time and I stayed on as securities counsel. I did a lot of legislative work with the SEC, the Securities Litigation Reform Act, and helped Chairman Levitt make his way through the political landmines on Capitol Hill.

So then I got a call from him one day and he said, would you want to be a SEC Commissioner? And I said, April Fool's? Yes, of course I would. When I was in the Enforcement Division in Washington, I used to go watch the Commissioners. Mary was a Commissioner at that time and I tried to get a job at your office. I'll forgive you in time. You see I got rejected by everyone. And I couldn't believe the thought of that and this actually came from Bill McLucas. Everybody claims they hired Bill, but Bill actually helped me get my job. And I went and I talked to the Senator. I was really nervous about talking to him because I loved working for him and I didn't of course want to get sideways. Anyway, I better hurry up because I just only have five minutes. He said yes, but of course I was a Republican nominee by President

Clinton and this was right around the time of some Capitol Hill controversy involving the President. I got the paperwork and I filled it out and then I was sort of put of hold because the President had vetoed of the legislation and then Whitewater happened and then that seemed very unseemly for the President to appoint me.

Finally after 2 years and redoing my paper work that lag time was filled up by me waiting but I really wanted to do it and I was having fun doing what I was doing. So after a much awaited time I made my way up to the SEC happy as a clam only to find out that I was pregnant.

And I did have a baby during that waiting time too. So, it sort of changed the dynamics of my expectations in terms of serving as a Commissioner. But the children were small enough and I had the most amount of energy actually when I was pregnant, that I took on the role of technology following in Commissioner Wallman's footsteps who had sort of laid the groundwork, for that being a critical issue to the Commission and to thank Bill McLucas for getting me the job.

I did a top to bottom review of the Enforcement Division on his way out. And that was also a very interesting, actually fun, undertaking as that involved a cross section of people from the Commission. I think it was timely and helpful in terms of really crystallizing the focus of the agency and the policy makers and the communications.

And then of course the time as acting Chairman if I was to say there was one particular time that I really enjoyed of course, I did occupy that office, what the hell and then I said that the foreign dignitaries would expect it of course and there were many lined up to visit me.

And I had a lot of fun getting to know the staff on a different level. We didn't know how long it would be, it could be 30 days; it wasn't going to be 2 years, I knew that. But, we did seal the deal on pay-parity during that time and I can't tell you how many e-mails I got thanking me for that.

But, it was my time on the Hill and my time as an SEC staffer that really allowed me to go up to the Hill and lobby this and really be able to resonate with the law makers. So, to me of all the things I've done, I love my report on technology, loved the top to bottom enforcement review but, the thing that I'll always treasure is being able to give back to the staff in a meaningful way for all their hard work. So thank you.

SUSAN FERRIS WYDERKO: Thank you Laura. Barely had Laura left the 6th floor when Cindy Glassman was confirmed as the 6th female Commissioner of the SEC. Commissioner Glassman

was appointed by President Bush in 2002 and was designated acting Chairman during the summer of 2005 before Chairman Christopher Cox arrived.

Prior to joining the SEC, she spent over 30 years in the public and private sectors focusing on financial services regulatory and policy issues. She has served with both Chairman Pitt and Cox and she has announced sadly that she is shortly leaving the Commission. And Chairman Donaldson as well, I'm sorry, you are right.

CINDY GLASSMAN: Thank you Susan. It's been really interesting hearing all of you. I read all the transcripts this weekend. I do want to thank all of you for being here as the sponsor to the Women's Committee but I also want to thank the Women's Committee.

This was their idea not mine and not Carla. We just facilitated it. So, I want to thank all of the members of the Women's Committee in the EEO office for making this happen. I also want to mention and thank Betty Davis whom I inherited from Mary and Laura and without her I'm not sure I would have figured out what I was doing here and all of my counsels through out the four and half years.

Since I'm not a securities lawyer, I've a very different story of how I got here. My interest in business and economics, I think, came from my dad who was a doctor but his father was a businessman who had come from Eastern Europe, built a business, had 7 children. My father was the youngest of them. My grandfather apparently made a lot of money but lost it all in the crash in '29 but not in the stock market. He lost it in second mortgages. So, my father, who luckily got to go to medical school because my grandmother had hidden some of that money away, was a very conservative investor and he taught me about investing. My sister wasn't interested, she is two years older. She was an art history major, had no interest at all.

So, I became the business person in the family. I went to a women's college where I majored in economics and I don't think I would've done that in a co-ed school. But, in Wellesley, it was a very big major, in fact I think it is the biggest major now. And they had a great department.

I was going to be a macro economist, do consulting and forecasting until I went to graduate school, where I realized I really liked micro economics and focusing on industrial organization. But, I got tired of writing my dissertations by myself. So, I was lucky enough to get a position in the Philadelphia Federal Reserve Bank - there were five of us - where we worked half time on our dissertation, half time for them and got paid 2/3rds. So, that was a pretty good deal.

When I was at the bank I changed my topic to banking as banking structure and ultimately after a few years in England, thanks to Uncle Sam and my husband who is in the audience, was in the Air Force.

We came back to Washington, I was at the Federal Reserve Board and there although, I really didn't realize at that time, all of my positions kind of prepared me for this position. I was in the financial structure group where we focused on market structure. I was special assistant to Henry Wallich, Governor Wallich, which was like being counsel to a Commissioner here.

I was on loan to the Treasury for a year and domestic finance. I went back to the Fed in the capital market section and then I was chief of financial reports. So that covered just about everything except enforcement I think.

And I finally, after being in the government for a long time decided it was time to go to the private sector.

So, I went into consulting all on financial services policy. I was in 2 small firms and then 1 large firm Ernst & Young which rounded out my experience for coming here. And while I was at E&Y, President Bush was elected. And I'm a Republican but I wasn't a particularly active Republican but, a lot of my clients were and I told them I had an interest in policy position in the administration if they were interested in me and I got a call one morning from a friend who had been on the transition team saying they were looking for an economist at the SEC to be a Commissioner, was I interested?

And I hesitated for a few seconds because SEC was not on my radar screen. I assumed if they were interested in me at all it would be for banking agency. But I realized if they thought I could do this, I guess I could do this. So, I said sure. And within an hour I had an appointment with White House personnel that went well. And so I said I don't know Harvey Pitt who had just started as Chairman so, if you are interested in me and I'm definitely interested in going forward I need to meet Harvey. So, we set up a meeting with Harvey and this is my Deep Throat story.

I think it was Lisa Panasiti who must have set it up. This was Harvey's right hand woman. They didn't want any leaks. The White House is still very careful about that, they don't want anyone knowing when they are considering somebody until they actually nominate them. So they didn't want me walking in the front door of the SEC.

Now they didn't realize that nobody at the SEC would have had any idea who I was. So if I had walked into the front door at the Fed they might have wondered but not the SEC. But, nevertheless I had to go into the garage, I had a taxi and they told me to tell the taxi to go through the garage through the stop sign and the head of security would meet me down here. So I did and the taxi said, oh we can't do that, and I said yes, yes you can and we did.

We went through the stop sign, down the bottom, the head of security was there. Lisa came down and took me up in an elevator that was keyed so nobody could go in the elevator but us.

So, I went up and went to meet with Harvey and Harvey of course was late. Harvey was always late. So I was waiting in his waiting room, reading that morning's Wall Street Journal which I hadn't seen yet that day and there was a little blurb about potential nominations for the SEC. And there were three. And they were not me. So, ultimately Harvey and I got along great. 9/11 happened. I didn't know what was going to happen but soon after 9/11 I got my papers, my FBI check started and then we went through, it was about 6 months. I was nominated in December. I was recessed in January, not because I was controversial but because they needed to fill the Commission and so poor Laura had no notice. I bumped her out of her office.

LAURA S. UNGER: Actually I told that story.

CYNTHIA A. GLASSMAN: I took her staff and went from there. The difference I think for me being at the Commission is not so much that I'm a woman with all these women before me, it really hasn't been an issue.

The difference for me is being not a securities person, my back ground is banking and not a lawyer. So, I've been in a position having to learn a lot. Actually the policy issues are not that different just different industry. But I've been in a position to ask a lot of questions. Why do we do things this way?

I've absolutely no baggage, and no priors and no sacred cows. So, I'm constantly asking why do we have to do it this way. And I think I've actually convinced some people here on occasion that perhaps there is another way. As the others have said, this has been the best experience of my life.

It's a great agency. But I've to say it is one of the two best agencies in Washington, the other being the Fed, which I think is true. They are both great agencies. It's a great time being acting Chairman even a few weeks as opposed to months that I was, was also a terrific experience. It was very different perspective and it's been great. Thanks.

SUSAN FERRIS WYDERKO: Thank you very much. Last summer as Annette Nazareth was confirmed as the SEC's seventh female Commissioner, for the first time there was two sitting female Commissioners at the SEC. At this time however, thanks to the stories of the women you've heard thus far and that gender wasn't really an issue.

Few people really even noticed that there were 2 women commissioners on a 5 person SEC Commission. Before being appointed Commissioner, Annette had been Director of the Division of Market Regulation.

She joined the SEC in 1998 as senior counsel to Chairman Levitt where her office was next door to mine and she also served briefly as the interim Director of the Division of Investment Management. Annette was nominated by President Bush and has been a Commissioner since last August.

And Annette, before I let you talk, I cannot resist telling the audience one anecdote from your oral history. You had just joined Lehman Brothers and you said, when I showed up for the first day on the trading floor, clearly very far along in my pregnancy, the traders looked at me as if they could not believe that they had been so this bill of damaged goods. Clearly though the traders survived and you thrived. Annette.

ANNETTE L. NAZARETH: Thank you Susan. Susan asked me to talk about how I got to the Commission. And my first thought when she asked that question was I took the Delta shuttle. But, in 5 minutes the challenge is of course to come up with the intermediate story.

I think it did begin with me largely because of my interest in economics. I've to say that as a high school student, I have the good fortune of taking an economics course which was quite I think, unusual for high school at that time. And it really sparked an interest in economics and financial matters that has remained with me to this day.

I went to college and majored in economics as well as history and decided after college that I really was interested in pursuing securities and corporate law and wanted also to understand better sort of the securities market and really the capital formation process.

It's hard to say why I became interested in that, I had no lawyers or investment people in my family. My father owns a casket company in Providence. This was something that interested me tremendously. I chose to go to Columbia Law School partly because of its emphasis on corporate and securities law and because of its closeness to Wall Street and again my fascination with that.

After Columbia I started my legal career at Davis Polk & Wardwell and spent most of my practice there focusing on mergers and acquisitions, although I did some work in some public offering work and some work for commercial banks as well. I did like to say that Davis Polk provided me both with a tremendous post-graduate education and also with a husband because I met my husband Roger Ferguson there.

So I consider it to be a great success on many fronts. My career really took, I think, one of its more interesting turns when I left the law firm and moved in house into the brokerage industry and that I guess it's sort of been a defining moment for me.

I became general counsel of a mid-sized broker dealer called Mabon, Nugent & Co., when I was 30 years old. That was really a tremendous opportunity having 6 years experience in a law firm to be offered the chance to really be the senior lawyer in a full service broker-dealer. And I was also very lucky to work directly for a managing partner who mentored me and took the position that I was going to be little use to him, unless I really understood the business.

He was a tremendous tutor and much of what I know today, I feel I learnt at that young age. Shortly after Mabon, Nugent was sold, I moved to Lehman Brothers and as Susan said moved at a somewhat inopportune time in terms of my physical condition but, again it was a tremendous opportunity I went from being sort of a generalist in a smaller firm to more of a specialist in a very large firm.

At Lehman Brothers I was the senior counsel for the fixed income division. So I really got to focus on all the legal issues around the fixed income products and the emerging market areas and learnt a lot about the origination of mortgage and asset-back securities as well.

In 1996, I was offered an opportunity to expand my horizons a bit more to go to Smith Barney as a lawyer with a broader portfolio. I was going to be made the managing director and in charge of the whole capital markets legal group. So that sort of bought me back to the fuller range of products, I'd be working over the sales and trading of all securities product and derivatives. So that was a very, very exciting time for me.

I had no intention of leaving Wall Street, I'm really am some what of a junkie. There is almost nothing I find almost exciting as being on a trading floor, frankly. So the fact that I found the SEC to be such an interesting experience has surprised even me. My transition to the SEC came about in a rather surprising way.

My husband was working here. I couldn't agree more with Cindy Glassman, the two best agencies in Washington are the SEC and the Fed, I've, to say that because I came to Washington in part because my husband was the presidential appointee as Vice- Chairman of the Fed.

I had nevertheless made the poor man commute back and forth to New York while I fed my taste for Wall Street work. But, my transition here was somewhat unusual. I got literally a cold call from what I would call the world's most effective sales man and that person was Arthur Levitt.

He had heard of me from Michael Schlein, who was his former chief of staff, who was a colleague of mine at Smith Barney. Arthur was looking for senior counsel in the Chairman's office to cover markets issues and I'll never forget what went through my mind when I picked up my messages at my desk and I saw that Arthur Levitt had called me.

I mean, all I could think of was there is no way that I've given advice that is so bad or so public that the Chairman of the SEC would be calling me personally.

So at first I thought that it must be a joke but, I did return the call and it was indeed Arthur and he said in his very suave way, do you've time for lunch. And of course the rest is history.

I came to Washington and served as Arthur's senior counsel for 6 months and indeed sat next to Susan Wyderko and had a wonderful time and then acted as the interim Director of the Division of Investment Management and then in March of 1999 I became the Director of the Division of Market Regulation and also I was the first women I think to have that post, which I'm pretty proud of.

And that truly was the most wonderful opportunity at the Commission particularly for somebody with my background having been so active in the markets. I did not consider myself a policy type at all before I came to the Commission.

So, I consider myself particularly lucky to have had this chance and also to be able to apply my knowledge of what the impact was on regulation on me and in the markets and to hopefully be somewhat sensitive to the issues of the impact of regulation and I certainly, I've to say as others here have said that my time at the Commission has been really the most rewarding time of my career. Thank you.

SUSAN WYDERKO: Thank you very much Annette. I had planned to ask each panelist additional questions and in fact I could go on for hours and I'm sure you would love to is here for hours. But, time is short so, I think I'm going to throw our panels the curve ball and toss one question up for everyone to answer.

If you had it all to do it all over again what one thing in your life would you do differently and why? Barbara are you still there, could we start with you. I think we may have lost London. It's open for the floor.

CYNTHIA A. GLASSMAN: When we were living in England, our son was 2 and a half at that time. My husband was in the Air Force, I finished my PhD dissertation, I had my Doctorate and I had to decide what I had to do next.

So I thought about it for a while and I thought I really would like to go to law school now, and I went as far as getting the information's for the LSATs and some applications for law schools and then I looked at that but I don't want to be in school for 3 more years.

So I didn't. And over the years I thought that maybe I made a mistake but actually now as an economist surrounded by lawyers, I'm really glad that I stayed an economist.

SUSAN FERRIS WYDERKO: And we are not taking that personally at all. Truly. Roberta.

ROBERTA S. KARMEL: Well, there are a lot of things in my life that I probably would have done differently, thinking back. But one of the things that is most relevant to the job of being an SEC Commissioner also goes back to my days when I went to college by and by and large girls didn't take math.

My late husband who was an engineering professor said you are not really an educated person, you never took calculus. I guess that's right. And then, although I learnt a lot on various jobs that I had that were helpful to the job of being an SEC Commissioner.

I worked on the accounting department of a big company; I worked at a brokerage firm before I went to law school and I certainly learnt a lot on the staff of the SEC et cetera and as a lawyer. But when I got to be a Commissioner I thought I'm not qualified for this job because the only course in economics I ever took was with John Kenneth Galbraith which those of you who had been reading his obituaries would realize he wasn't really considered an economist by other economists.

I never took a course in accounting and yet here I'm supposedly regulating the accounting profession and thinking about accounting principles. I didn't even take math courses in college. I never took any kind of business course and here I'm regulating the business world.

So I guess, I feel that if I had known I would become an SEC Commissioner which is something that I couldn't have dreamed of when I was starting out in life, I really would have educated myself a little bit differently.

SUSAN FERRIS WYDERKO: Good answer. Mary, you were jotting notes.

MARY L. SCHAPIRO: It's a little bit pathetic so I'm either very unimaginative or just very, very lucky but frankly there is nothing I would do differently say find a bit healthier balance between my family life and my work life. But, I've had an incredible good fortune to work at phenomenal

institutions with wonderful ethical, honest, decent people and have a healthy thriving family. So I can't think of anything I would do differently.

SUSAN FERRIS WYDERKO: That's impressive. Laura?

LAURA S. UNGER: I think I'm perfect too. No, no, I'm just kidding. I can absolutely assure you, I do not regret not taking more accounting classes. I swear on my life okay. I'm somewhat regretful but, not that regretful.

No I'm serious Mary, I feel the same way that you do and I didn't mean to sound like you thought that you were perfect, but why not. I think you are perfect. Mary was my role model and I've to say that is one thing that I don't regret anything.

I've been completely blessed and had the most phenomenal career. If I retire tomorrow, I would be the happy camper, although when I left the Commission my husband was hoping for the big bucks and as you know, I worked for CNBC for a year and he lamented, how could you possibly find a more high profile, low paying job in the world.

But the corporate board had been okay and I had been having a lot of fun, and I've a lot of flexibility and I do work full time but I work double time so it is not full time hours. The thing that I do regret though is Mary being my mentor unknown to her, is that I didn't take a more active role in doing that at the Commission or just generally because I think that that is something that I would have liked to have more of and maybe there are women out there who feel the same way.

And when you are so busy, working double time and balancing your family and your career and God forbid your husband and taking some time to yourself it's hard to make that extra time and that is one thing that perhaps I had done better. Not that I hadn't thought about it – it's a little bit on my list of regrets.

BARBARA S. THOMAS: Can you guys hear me?

SUSAN FERRIS WYDERKO: Barbara. Can you hear us?

BARBARA S. THOMAS: They switched me back on. Yes. Evidently he switched me off and he switched me back on, so I just want to make sure you know I was here.

SUSAN FERRIS WYDERKO: Would you like to take a crack at answering the question?

BARBARA S. THOMAS: I sure would because my answer is I would've taken the plane to Washington this morning. That's what I would've done differently. There is no question, that's the first thing that I would've done, because Friday it all worked perfectly and now, it's not working perfectly and it's the middle of the night here and I'm so envious of all of you women, all being together and I wish I were with you.

SUSAN FERRIS WYDERKO: Thank you.

BARBARA S. THOMAS: I do have a serious thing to say though, it's really serious. It's not about a specific thing and it is about a general thing and this little incident today of not being there just feeds into my general thing. Everything I have done, some have been great and some have been terrible but, I'm glad I did them.

The things that I regret are the things that I didn't do. The jobs that I didn't take, the extra time that I didn't spend with x or y or the plane that I didn't take because I had a meeting tomorrow and I didn't think that it was changeable and I thought that technology would work. What I tell people is you never regret when you are older what you did do, only what you didn't do.

So what I would say to people is, take every opportunity go through every door that is open to you, because it may not open again. If you are lucky more good doors will be there than bad doors. But take the opportunities. We are really lucky, the women in the room and the women who are the Commissioners, we had real opportunities to make a difference. We need to also give those opportunities to other women, very important.

SUSAN FERRIS WYDERKO: Very inspiring.

BARBARA S. THOMAS: And one more thing as long as the door open...

SUSAN FERRIS WYDERKO: You've got the floor.

BARBARA S. THOMAS: What I would hope and I ask Chairman Cox of this if he can hear me is that I can come to Washington in the fall on a plane that does work and get together whatever women there are at the SEC so, that I can say thank you for doing this in person. Because, we all are part of the same sorority and we all need to talk to each other as much as we can.

So, I just wanted to say thank you to all while the technology is still working, for giving me the opportunity to participate. And I look forward to seeing you all in person in the autumn.

SUSAN FERRIS WYDERKO: That's a date. Terrific. Annette.

ANNETTE L. NAZARETH: Last but not the least. I think like Mary, I'm a relatively forward looking person, pretty optimistic. So I don't think I've any regrets about the past. I would like to think that to the extent that there are gaps or things that I haven't done, I still have time to do them.

If I had a specific thing that I would change, it's quite minor, it's that I spent a huge amount of my time in college and high school studying Latin. And I read all the comedies of Plautus in Latin and I do not speak a modern foreign language so if Julius Caesar would show up today, I might be able to converse but I certainly encourage my children to focus on modern language.

SUSAN FERRIS WYDERKO: Thank you and thanks to all of our panelists. Before closing I want to take this opportunity to thank the SEC Historical Society and in particular Carla Rosati and Dr. Kenneth Durr. Will you stand up please?

The SEC Historical Society made the oral transcripts and oral histories of the women panelists here, available on the SEC Historical Society website which is sechistorical.org.

The Historical Society is of course a virtual museum and an archive, it's free, it's available to everyone and it is supported by gifts from people like you. So please join if you haven't already.

We very much thank the Society for preserving our shared heritage. Thank you very much all of you for coming and listening. There will be a reception now in the multipurpose room, directly across the hall way. Thank you.