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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

August 11, 1987

The Honorable David S. Ruder
Chairman
Securities and Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549

Dear Chairman Ruder:

As you know, the Securities Subcommittee of the Senate Committee on Banking, Housing, and Urban Affairs has been working closely with the Commission, the New York Stock Exchange Legal Advisory Committee and an ad hoc group of securities lawyers chaired by Harvey Pitt, to fashion appropriate insider trading legislation. The goal of such legislation is to close troublesome loopholes as well as to eliminate potential ambiguities that inhere in the current state of the law, without sacrificing either necessary flexibility for the Commission's enforcement program or the essential fairness to those who must comply with the law that comes from a clear, plain-English definition.

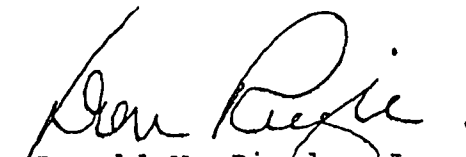
We believe that we have made enormous strides toward a consensus legislative resolution of this important issue. During the confirmation process in which your nomination was involved, we were heartened by your stated commitment to continue the Commission's outstanding enforcement record, and to making our markets fair for individual investors. In that vein, we would like you to assist us in the process of finalizing this important legislation.

Through the attached letter, we have asked the Ad Hoc Legislative Committee to continue to work with the Commission and the New York Stock Exchange Advisory Committee to produce an effective and final legislative proposal by September 8, 1987. Now that you are on board, we hope you will devote your personal energies, and considerable expertise, to this effort.

We look forward to working with you and the Commission on this vital project.

Sincerely,


Alfonse D'Amato


Donald W. Riegle, Jr.
Chairman, Securities
Subcommittee