

# SECURITIES AND EXCHANGE COMMISSION HISTORICAL SOCIETY

1001 PENNSYLVANIA AVENUE, N.W. ■ SUITE 810 SOUTH ■ WASHINGTON, D.C. 20004-2505

CHAIRMAN

David S. Ruder

PRESIDENT

Paul Gonson

SECRETARY, TREASURER

Robert J. Kueppers

TRUSTEES

Kenneth J. Bialkin

James H. Cheek, III

James R. Doty

Daniel L. Goelzer

Edward F. Greene

Stephen L. Hammerman

Dixie L. Johnson

Stanley Keller

Richard G. Ketchum

Edward A. Kwalwasser

Alan B. Levenson

Theodore A. Levine

Arthur Levitt

Gary C. Lynch

Kathryn B. McGrath

William R. McLucas

Robert H. Mundheim

Richard M. Phillips

Linda C. Quinn

Thomas A. Russo

Mary L. Schapiro

Joel Seligman

A.A. Sommer, Jr.

Stanley Sporkin

To: David Ruder                      Via FAX: 312-503-5950 (3 pages)  
Paul Gonson                              703-532-1209  
Robert Kueppers                        203-761-3609

From: Carla Rosati (CARA)

Date: November 16, 2001

Subject: Remaining Funds – Future of Society Operations

In light of the financial fallout from the major issues conference, I am estimating that we currently have sufficient funds to continue the operations of the Society office **only through April 2002**. This estimation is based on the following premises:

- We currently have \$79,474 in our checking account, and can transfer \$5,970 from our restricted account for bills paid to date for the October 4<sup>th</sup> Roundtable, thus giving us an unrestricted balance of **\$85,444**.
- We have been notified that we will receive the following unrestricted grants: \$10,000 from UBS PaineWebber, Inc. and \$3,000 from Wilmer, Cutler & Pickering, thus bringing our unrestricted balance to **\$98,444**.
- Our savings account, now totaling \$101,718, will be either wiped out or seriously depleted by the deficit from the major issues conference.
- The restricted account, totaling just under \$20,000 (once the above-mentioned expenses for the October 4<sup>th</sup> Roundtable are transferred), can only be used for programs and not for operations. We can continue with the oral histories program – both individual interviews and the planned spring 2002 Roundtable on integration – using these funds. In addition, the Federal Bar Association should make a decision on our request for \$30,000 for the oral histories program in January. However, none of these monies can be used for unrestricted purposes.
- Our recurring monthly expenses, primarily my salary, benefits and travel, and the costs for postage/telephone/copier at Fried Frank, and fees for credit card use and Paychex, are **\$9,111** per month (see attached budget sheet).
- Our anticipated one-time expenses for the next 5 months will total **\$43,800** (see attached budget sheet). Please note that these one-time expenses do not include funds for such planned activities as:
  - 1) bookkeeping services.
  - 2) officers and trustee insurance.

202-585-6405

202-585-6404 [fax]

www.sechistorical.org

c.rosati@sechistorical.org

- 3) the publication of a proceedings book from the major issues conference. (P.S. We have submitted a proposal to Morgan, Lewis & Bockius for funding for the publications and dissemination of the proceedings book.)
- 4) a more scholarly/comprehensive publication of the papers of the major issues conference.
- 5) the spring newsletter.
- 6) updates to the transportable display.

**Our biggest drawback right now is time.** Membership revenues cannot be relied on, as we have already completed most of our prospect and renewal mailings, and memberships are set through December 2002. Foundation grants will take too long to secure, as the submission and review process can take up to a year.

Our only sources of quick revenue now are corporations – accounting firms, law firms, financial institutions, mutual funds, banks, etc. – with which our trustees have contacts and are willing to use them to secure grants; and people who have ties to our trustees, who are interested in the work of the Society, and who are capable of making major gifts (\$1,000+).

If the trustees cannot or will not help to secure gifts in the next few months, we must plan either to close the operations of the office, and revert back to a board-run organization; or consider merger with another institution – such as ASECA – which will be able to fulfill the mission of the Society.

I am distributing this memo to you first, and would appreciate your thoughts. I would like to include the memo in the monthly report that I will send to each trustee at the end of this month, in the hope that it will serve as a wake-up call to those trustees who are committed to and will work to ensure the future of the Society.

### Monthly Expenses

Salary	\$	7,625
Benefits: 403(b) match + Blue Cross		654
Paychex fee		100
Credit card fees/discount (monthly average)		32
Fried Frank: telephone/copier/postage (monthly average)		300
Travel (monthly average)		<u>400</u>
	\$	9,111

### One-Time Expenses (November 2001-April 2002)

Audit + Tax Return	\$	9,700
Database Service Contract		600
Membership Appeals: Printing/Mailing/Mailhouse		4,000
Materials/Display at Conferences:		2,500
- AICPA (materials shipping)		
- Securities Regulation Institute (display+materials shipping, travel, hotel, etc.)		
- PLI (display+materials shipping)		
Planning for Annual Meeting		10,000
Stationery Reprinting		2,000
Web Site update/maintenance		3,000
Major Issues Conference photography+prints		2,000
Annual Report: publication+mailing		<u>10,000</u>
	\$	43,800