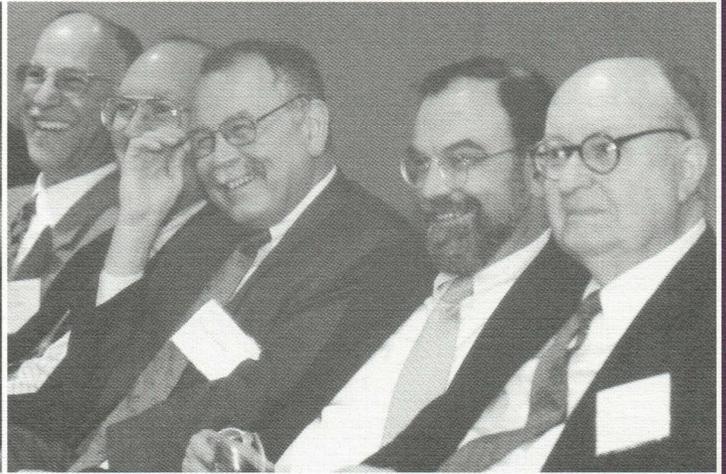
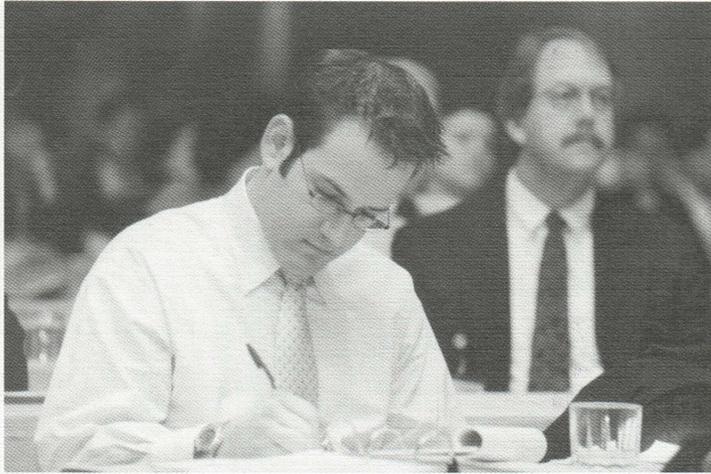


SECURITIES AND EXCHANGE COMMISSION HISTORICAL SOCIETY

HIGHLIGHTS OF 2002



The Securities and Exchange Commission Historical Society, founded as a 501(c)(3) non-profit organization in 1999, seeks to make broadly available an objective understanding of the distinctive role that the U.S. Securities and Exchange Commission has and continues to play in the evolution of American and international financial markets.

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Highlights of 2002 Report
Carla L. Rosati, CFRE, Editor
Five on Your Eye Design, Publication
Scavone Photography, Photography



Letter from the President

Dear Members and Friends:

2002 has been an extraordinary year for the Securities and Exchange Commission Historical Society. The vision of the founders of this non-profit organization in 1999 – to preserve and share the history of the U.S. Securities and Exchange Commission – came to fruition this year with the birth of the Society's virtual museum of SEC history.

As this Highlights of 2002 report illustrates, the virtual museum is and will be at the heart of the Society's work. But the Society also made progress in many other areas this year, including oral histories, acquisitions, creating new SEC "operational" committees to reorganize our activities, building public awareness, and expanding our volunteer leadership.

This summer, the Board of Trustees voted to change the Society's fiscal year to a calendar year, and to extend the 2001-02 fiscal year to fifteen months. Therefore, the 2002 Annual Report will be published later, in the early spring of 2003. The Annual Report will contain the Society's financial statements as well as a complete list of all donors to the Society from January through December 2002.

This Highlights of 2002 report is an opportunity to share with all of you the solid achievements that the Society has made this year with your support. The Board of Trustees joins me in appreciation for all that you have done and continue to do on behalf of the Securities and Exchange Commission Historical Society.

Sincerely,

Theodore A. Levine
President

Birth of the Virtual Museum

The most significant highlight for the Securities and Exchange Commission Historical Society in 2002 was the birth of the virtual museum of SEC history on the Society's Web site – www.sechistorical.org.

The virtual museum is an unique collection of original historic materials relating to the history of the U.S. Securities and Exchange Commission and the securities industry. Available 24/7 and free of charge to all interested persons, the virtual museum is at the heart of the Society's work in preserving and sharing the history of the Commission.

During 2002, the virtual museum:

- added over 100 original historic materials – letters, reports, speeches, photos, etc. – focusing on the history of the SEC and the securities industry.
- included 6 individual oral histories interviews and 3 oral histories Roundtable interviews with persons with special memories of the SEC and financial market events.
- digitized oral histories so that persons visiting the museum can listen online to the individual interviews and view online the Roundtable interviews. In addition, visitors to the museum can read the transcripts of the interviews.
- provided live access to both the Roundtables on Enforcement and Investment Company Regulation, via an audio stream connect on the Web site. Over 500 persons listened in live to the Roundtable on Enforcement, and nearly 400 to the Roundtable on Investment Company Regulation.
- established a free lending library of all oral histories audiotapes and videotapes so that visitors can listen or view the interviews on their own.
- added a list of all the chairmen and commissioners of the U.S. Securities and Exchange Commission, from 1934 to the current Commission.
- provided links to other sources of SEC history available via the Internet, including the Andrew Barr papers at the University of Illinois and the AICPA collection at the University of Mississippi; and links to related institutions, such as the Investment Company Institute, NASD, the New York Stock Exchange and the Securities Industry Association.

From June through November, www.sechistorical.org received over 5,000 "hits," and the virtual museum over 2,200 visitors. The audio-video service, due to the live audio stream accessibility, was the most popular section of the museum, with historic photos, historic records and papers, and oral histories following.



FROM THE VIRTUAL MUSEUM – A GROUP PHOTO OF SOME OF THE OFFICIALS OF THE 1963 SEC SPECIAL STUDY: (LEFT TO RIGHT) SIDNEY ROBBINS, RALPH SAUL, MILTON COHEN, RICHARD PAUL AND HERBERT SCHICK.

Conducting Oral Histories

The Society conducted individual oral histories interviews in 2002 with:

- Mary E.T. "Mickey" Beach, senior associate director in the Division of Corporation Finance.
- David Ginsburg, assistant to Chairman William O. Douglas.
- Roderick Hills, former SEC Chairman.
- Andrew Klein, former director of the Division of Market Regulation.
- Allan Mostoff, first director of the Division of Investment Management.
- Irving Pollack, former SEC Commissioner and first director of the Division of Enforcement.
- David Ratner, executive assistant to Chairman Manuel Cohen.
- Richard B. Smith, former SEC Commissioner.

The Society coordinated three oral histories Roundtables on:

- the Integration of the 1933 and 1934 Acts, on March 21, 2002, co-moderated by Richard Phillips and Richard Rowe. Participants included Alan Beller, the current director of Corporation Finance, and many former directors of the division, including Edward Greene, John Huber, Brian Lane, Alan Levenson, David Martin, Linda Quinn and Richard Rowe.
- Enforcement, on September 25, 2002, co-moderated by Irving Pollack and Stanley Sporkin, the first two directors of the Division of Enforcement. Panelists included Theodore Altman, David Doherty, Benjamin Greenspoon, Theodore Levine, Alan Rosenblat, Thomas Rae, Richard Rowe, David Silver, Theodore Sonde and Wallace Timmeny.
- Investment Company Regulation, on December 4, 2002, co-moderated by Kathryn McGrath and David Silver. Participants included Barry Barbash, John Dudley, Joel Goldberg, Anne Jones, Stanley Judd, Martin Lybecker, Allan Mostoff, Edward O'Dell, Alan Rosenblat, Paul Roye and Marianne Smythe.

MARY "MICKEY" BEACH
IN THE 1980s.



Acquiring Historic Materials

The Society acquired over 100 original primary historic documents and photos to add to the virtual museum in 2002, including:

- Papers from the estate of Nathan Sameth, SEC supervisory financial analyst from the 1930s through the 1960s, who died in March 2002. These papers include a 1968 address on disclosure by Chairman Manuel Cohen, briefs relating to SEC v. Transamerica Corporation in 1946, and a 1937 memorandum by Mr. Sameth on the replacement of bearer bonds by registered bonds.
- A SEC Enforcement Manual from 1938, presented to the Society by Chairman Harvey L. Pitt at the Roundtable on Enforcement.
- A 1938 letter from David Ginsburg to Felix Frankfurter on Securities and Exchange Comm. v. Electric Bond & Share Co.
- The 1961 oral argument in the matter of Re, Re and Sangarese.
- A 1967 memo from Robert Block, Chief Counsel on Foreign Broker-Dealers.
- Complaint for Injunctive and Other Relief, SEC v. National Student Marketing Corporation, February 1972.
- Memorandum from Stanley Sporkin, Director of the Division of Enforcement, April 1974 – Reorganization of the Division of Enforcement.
- A comprehensive history of the SEC's enforcement program from 1934 to 1981.
- A 1934 photo of the first Commissioners, including James Landis, which was used in the American School of Japan's tribute to Mr. Landis, class of 1918.
- A World War II bond drive photo with Chairman Ganson Purcell.
- Photos of SEC staff members in the 1980s, taken by Charles Leber, a former SEC staff member and photographer.



THE COMMISSION IN 1947 - (LEFT TO RIGHT)
ROBERT K. McCONNAUGHEY, JAMES J. CAFFREY,
RICHARD B. McENTIRE AND HARRY A. McDONALD.
(NOT PICTURED - EDMOND M. HANRAHAN)

Founding of the SEC Committees

Following the vision of trustee Richard Phillips, the Securities and Exchange Commission Historical Society re-organized its activities in 2002 to align with the major divisions and offices of the U.S. Securities and Exchange Commission.

The Society has formed six SEC "operational" committees and has recruited the following persons to chair them:

- Chief Accountant's Office – Robert Kueppers and Linda Griggs
- Corporation Finance – Edward Greene and David Martin
- Enforcement – Stanley Sporkin and Leonard Rossen
- General Counsel's Office – Paul Gonson and Richard Humes
- Investment Management – Allan Mostoff
- Market Regulation – Lloyd Feller and George Simon

Beginning in early 2003, each committee – comprised of SEC alumni, current SEC staff members, and other friends of the Society interested in that particular work – will develop and coordinate a comprehensive plan of action to preserve and share the unique history of that division or office.

Each committee will conduct oral histories (both in individual and Roundtable format), acquire original historic materials, and present public programs relating to its division or office.

Each committee now has a dedicated page on the Society's Web site to communicate its activities to members and friends of the Society. Visit www.sechistorical.org, click on "About the Society," and click on the name of the committee for further information.

Building Public Awareness

The Securities and Exchange Commission Historical Society began a comprehensive effort in 2002 to build awareness about the Society's work, focusing on the virtual museum. Activities included:

- issuing a monthly "blast" email on news of the Society and additions to the virtual museum, to members and friends who have given the Society their email address.
- a presentation by Theodore Levine, president of the Board of Trustees, to the senior staff of the U.S. Securities and Exchange Commission in September.
- an exhibition of the virtual museum at the Practising Law Institute conference in New York City in November.
- publication of the Society's first Annual Report, which encompassed both the 2000 and 2001 fiscal years.
- publication of a proceedings book from "Securities Regulation in the Global Internet Economy," the November 2001 major issues conference co-sponsored by the Society and the SEC, with the support of Northwestern University School of Law.

Expansion of Volunteer Leadership

In 2002, the Securities and Exchange Commission Historical Society expanded its volunteer leadership to create three distinct bodies, each working to enhance the Society's mission and outreach.

Board of Trustees

The Board of Trustees retains governance and fiduciary responsibility for the Society. The officers and members of the board in 2002 include:

Kenneth J. Bialkin

Daniel L. Goelzer, Secretary
(resigned November 2002)

Paul Gonson

Edward F. Greene

Stanley Keller, Vice President

Robert J. Kueppers, Treasurer

Edward A. Kwalwasser

Alan B. Levenson *(retired October 2002)*

Theodore A. Levine, President

Richard M. Phillips

Linda C. Quinn

David S. Ruder, Chairman

Stanley Sporkin

Advisory Council

The Advisory Council has been formed to welcome distinguished representatives of the financial community to advise and assist the Society in its work. Current members include:

James W. Barratt, FTI Consulting, Inc.

Brandon Becker, Wilmer, Cutler & Pickering

David M. Becker, Cleary, Gottlieb, Steen & Hamilton

Donald L. Calvin, International Business Enterprises, Inc.

James H. Cheek III, Bass, Berry & Sims

James R. Doty, BakerBotts LLP

Ralph C. Ferrara, Debevoise & Plimpton

Matthew P. Fink, Investment Company Institute

Margaret Foran, Pfizer, Inc.

Robert R. Glauber, NASD

Sheldon L. Goldfarb, Greenwich Capital Markets, Inc.

Edward Herlihy, Wachtell, Lipton, Rosen & Katz

John J. Huber, Latham & Watkins

Dixie L. Johnson, Fried, Frank, Harris,
Shriver & Jacobson

Stuart J. Kaswell, Securities Industry Association

Richard G. Ketchum, Nasdaq

John Liftin, Prudential Financial, Inc.

Simon M. Lorne, Munger, Tolles & Olson

Gary G. Lynch, Credit Suisse First Boston

Paul J. Mason, Dechert

Kathryn B. McGrath, Crowell & Moring

William R. McLucas, Wilmer, Cutler & Pickering

Barry C. Melancon, American Institute
of Certified Public Accountants

Allan S. Mostoff, Dechert

Robert H. Mundheim, Shearman & Sterling

John F. Olson, Gibson, Dunn & Crutcher

Lee A. Pickard, Pickard & Djinis LLP

Richard H. Rowe, Proskauer Rose LLP

Thomas A. Russo, Lehman Brothers

Mary L. Schapiro, NASD Regulation

Joel Seligman, Washington University School of Law

David Silver

Larry Sonsini, Wilson, Sonsini, Goodrich & Rosati

Richard H. Walker, Deutsche Bank

Elisse B. Walter, NASD Regulation

Herbert S. Wander, Katten Muchin Zavis Rosenman

William J. Williams, Jr., Sullivan & Cromwell

Barry Witz, Brite Lite Industries, Inc.

Commissioners' Council

The Commissioners' Council welcomes former chairmen and commissioners of the U.S. Securities and Exchange Commission to advise and assist the Society. Current members are:

J. Carter Beese, Jr., Riggs Capital Partners

Richard C. Breeden, Breeden & Co.

G. Bradford Cook, Downey Communications, Inc.

Charles C. Cox, Lexecon, Inc.

John R. Evans

Stephen J. Friedman, Debevoise & Plimpton

Joseph A. Grundfest, Stanford Law School

Roderick M. Hills, Hills and Stern

Isaac C. Hunt, Jr.

Roberta S. Karmel, Brooklyn Law School

Arthur Levitt, Jr., The Carlyle Group

Bevis Longstreth, Debevoise & Plimpton

Charles L. Marinaccio

Aulana L. Peters, Gibson, Dunn & Crutcher

Irving M. Pollack, Dilworth Paxson LLP

Richard Y. Roberts, Thelen, Reid & Priest LLP

David S. Ruder, Northwestern University School of Law

James C. Sargent

Mary L. Schapiro, NASD Regulation

Richard B. Smith, Davis, Polk & Wardwell

Barbara S. Thomas, Eversheds

Laura S. Unger

Steven Wallman, FOLIOfn, Inc.

Harold M. Williams, Skadden, Arps, Slate,
Meagher & Flom



ON NOVEMBER 4th, THE COMMISSIONERS' COUNCIL HELD ITS INAUGURAL MEETING, WITH SEC CHAIRMAN HARVEY L. PITT JOINING THE MEMBERS FOR A GROUP PHOTO. (LEFT TO RIGHT) ISAAC HUNT, IRVING POLLACK, DAVID RUDER, HARVEY PITT, LAURA UNGER, J. CARTER BEESE AND RODERICK HILLS.

In Appreciation of Our Institution Donors

As a 501(c)(3) non-profit organization, the Securities and Exchange Commission Historical Society derives its income solely from gifts from individuals and grants from institutions. It receives no federal funding, and is independent of the U.S. Securities and Exchange Commission.

The Securities and Exchange Commission Historical Society expresses its appreciation for the grants in support of its work from the following institutions during 2002:

The 1934 Circle

(Grants of \$25,000 and more)

Federal Bar Association, Securities Law Committee
Fried, Frank, Harris, Shriver & Jacobson
(grant and in-kind support)
New York Stock Exchange
Northwestern University School of Law
(in-kind support)

The FDR Circle

(Grants of \$10,000 to \$24,999)

American Institute of Certified Public Accountants
ASECA – Association of SEC Alumni, Inc.
Cleary, Gottlieb, Steen & Hamilton
Credit Suisse First Boston
Deloitte & Touche
Ernst & Young
NASD
Nasdaq
Skadden, Arps, Slate, Meagher & Flom
UBS PaineWebber, Inc.
(grant and in-kind support)
Wachtell, Lipton, Rosen & Katz
The Norman & Rosita Winston Foundation, Inc.

The Chairmen's Circle

(Grants of \$5,000 to \$9,999)

Bowne & Co., Inc.
Foley & Lardner
Katten Muchin Zavis Foundation, Inc.
Kirkpatrick & Lockhart
National Economic Research Associates, Inc.
Sears, Roebuck & Co.
Shearman & Sterling
Sullivan & Cromwell
Wilmer, Cutler & Pickering
Wilson, Sonsini, Goodrich & Rosati

The Commissioners' Circle

(Grants of \$1,000 to \$4,999)

American Society of Corporate Secretaries
Bryan Cave LLP
Cincinnati Stock Exchange
Debevoise & Plimpton
FTI Consulting, Inc.
Lehman Brothers, Inc.
Palmer & Dodge LLP
Pickard & Djinis LLP
Prudential Financial, Inc.
Securities Industry Association

(Grants received from January 1 through December 31, 2002)

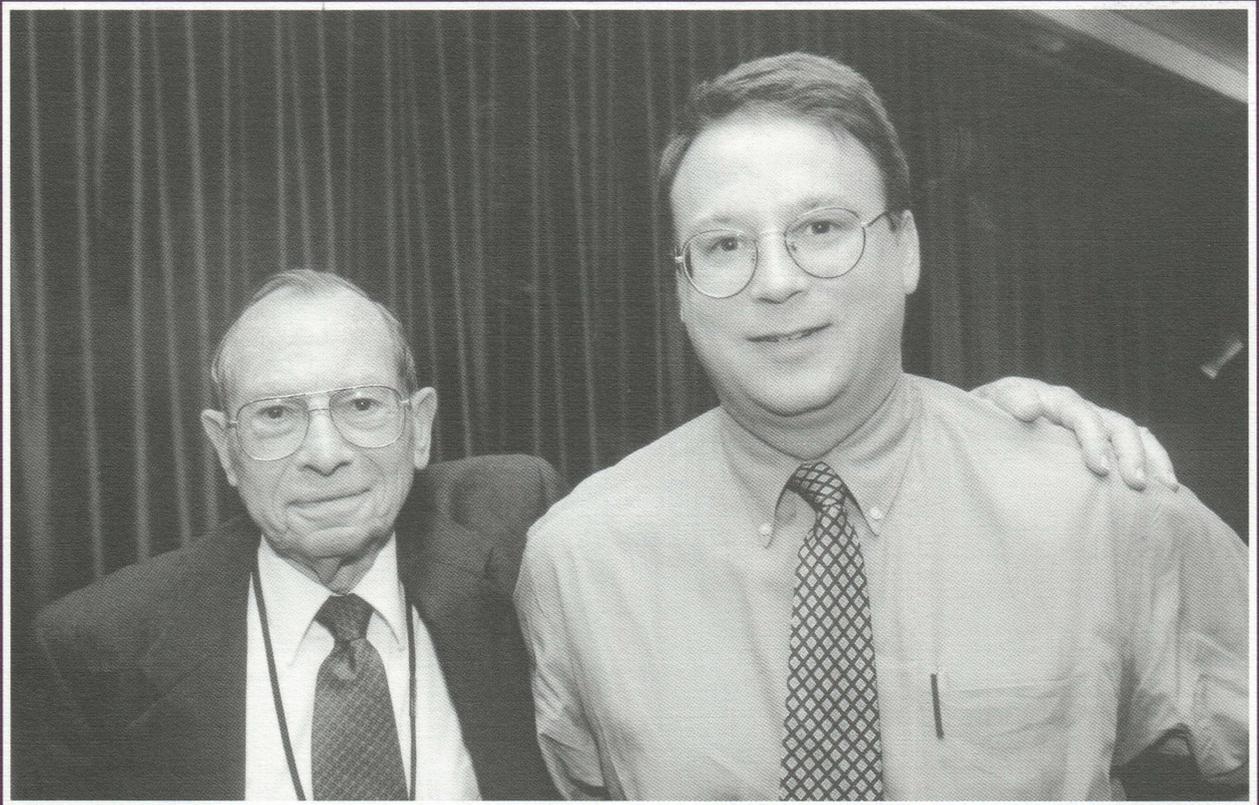
New York Stock Exchange

The New York Stock Exchange made a generous grant to the Society in 2002 to help support the development of the virtual museum.



Northwestern University School of Law

Northwestern University School of Law joined with the Securities and Exchange Commission Historical Society and the U.S. Securities and Exchange Commission to help fund "Securities Regulation in the Global Internet Economy," the major issues conference presented by the Society and the SEC in November 2001.



Irving M. Pollack, the first director of the Division of Enforcement, with Daniel M. Hawke, a current Division of Enforcement staff member, at the conclusion of the September 25, 2002 Roundtable on Enforcement.

The Roundtable on Enforcement was the first program to be offered by the Society via a live audio stream through its virtual museum. The Roundtable can now be accessed by transcript, video and audio through the museum. Mr. Hawke's comprehensive history of the Division of Enforcement is also part of the museum.

HIGHLIGHTS OF 2002

SECURITIES AND EXCHANGE COMMISSION HISTORICAL SOCIETY

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SAVE THE DATE – 2003 ANNUAL MEETING – JUNE 4, 2003 – WASHINGTON, D.C.