SEC Historical Society
Interview with Cynthia Glassman
Conducted on November 21, 2005, by Kenneth Durr

KD: This is an interview with Cynthia Glassman on November 21, 2005 at the Securities and Exchange Commission, Washington, DC, by Kenneth Durr. I want to start by talking about how you got interested in economics, what your educational background was, and how you went into that profession.

CG: Certainly. I want to say I'm very happy that I, and all of the other women, have agreed to be interviewed for this project. As the sponsor of the SEC Women's Committee, it was very important to me that this project was undertaken, and I was pleased that all of the other former and current women Commissioners agreed to be interviewed.

So, to go to the first question: how I got interested in economics, I believe - and I've thought about this a lot lately - goes back to my father, who was a physician. I'm the youngest of two; I have an older sister who was never interested in business-type things as we were growing up. But my father was one of seven children of a father who had come from eastern Europe and started a business here. He made a lot of money—at least it sounds like he did—and lost it all in the Crash, but not in the normal way. He lost it all in investments in second mortgages. As a result, my father was a very conservative investor, and he would talk to me about investments. When I was a teenager, he taught me how to read the stock market pages. He invested in municipal bonds; that was his major area of investment. Another factor that led to my interest in economics was my college experience. When I went to college, I went to a women's college where economics was a very strong major.

KD: What college was that?

CG: I went to Wellesley College, an all-women's college outside Boston. The Economics Department there was very smart. They had one section of economics, only for freshman, and it was taught by their best professors. So, as a result, they attracted many more economics majors than they might have otherwise; and it became—and I believe still is—the biggest major at the school. I was actually going to major in math, that was my plan, and be a high school math teacher. But my math course was very theoretical, and my economics course was so much more interesting. It combined some of the math, as well as some of the business that I had been interested in. So I ended up majoring in economics.

The summer of my sophomore year, I went to Rutgers to learn how to learn how to program computers. This is in the mid-sixties, before all of the computer literacy. I was going to be a computer programmer at that time. That was my plan. By junior year, I decided that I should go to graduate school. And by senior year I applied to several Ph.D. programs and MBA programs, and ultimately decided to get my Ph.D. in economics at the University of Pennsylvania.

KD: Did you go right through with the MA-Ph.D.?

CG: MA-Ph.D. combined. That was straight from school. Now that blends into my first job, if that's where we're going next.

KD: The question, of course, is you're getting a Ph.D. in economics, what were you going to do with that?

CG: I wasn't going to teach. I thought what I wanted to do was end up at a consulting firm doing macroeconomics and forecasting. That's when I started the program. But I found that the area that I was most interested in was microeconomics and market structure. So my plan at that point was still consulting, but when I'd finished my course work and was working on my dissertation, which was on market structure issues in the computer industry, I decided that I wanted to work part-time, because I didn't like just sitting by myself writing my dissertation. My advisor at the time, Al Phillips, contacted somebody that he knew well, who was the director of research at the Philadelphia Federal Reserve Bank at the time, and got me an interview for a job there. They had a great program. As it turns out, there were five of us from graduate school in the program when I ultimately started there. They would pay you two-thirds salary to work half-time on the bank's work, and half-time on your dissertation.

I joined the Philadelphia Federal Reserve Bank under that program, and very quickly changed my dissertation topic to banking, so that all of the work that I was doing was related to banking - my bank work and my dissertation work; it all kind of combined. And that's how I got into financial services.

KD: Synergy; putting things so they'll work along the same lines.

CG: Exactly. Yes.

KD: What kind of work did you do? You were involved with thrifts?

CG: Well, it was mostly banks, at that point. The Federal Reserve banks all had research departments that focused on both the market structure issues in the banking industry, and then monetary policy and macroeconomic forecasting. I was on the market structure side. The work I did, and the focus of the sub-group at that time, was on the banking laws in Pennsylvania. At that time - this is in 1971 to '74, when I was at the bank—banks were limited in where they could branch, and different states had different rules.

In Pennsylvania, banks were not allowed to branch outside of the counties that were contiguous to the home office of the bank. The research group at the Philadelphia Fed was asked to do a research project on changing the banking laws to make them more liberal and to make branching more possible. That was my focus, and my dissertation was related to that: the effects of branching outside of those restrictions. Ultimately the law did change, as it did in most states.

KD: It sounds like one of those hundred and fifty year old laws, or something like that.

CG: It was an old law, but it was not that uncommon for states to restrict branching. It was an anti-competitive issue.

KD: So you were at the Fed for five or six years?

CG: I was at the Philadelphia bank for three years. Then we moved to England for three years. At this point, I was married. I had a son who was a little over two. My husband was a physician; he had been deferred for his specialty training in radiology and one year of teaching, and then he had to go into the military. He was in the Air Force for three years. We moved to England and lived in Cambridge, which was about a half an hour from the base he was on. I was still finishing my dissertation, and I became a supervisor at Cambridge for a class in economics for engineers. The system in England is different from here. When you go to university, you go for three years, typically, in one area; and you don't have any electives until your third year.

This was an elective course for third year engineers. The reason I was able to do it—because it was difficult to get a job in England as an American—was that my training at

Penn was pretty mathematical; the economists at Cambridge were not that mathematical. I had a friend from Penn who was on the faculty at Cambridge at that point; he was Scottish, and he introduced me to a couple of the colleges that needed supervisors for this particular course. I ended up being a supervisor, which is like a tutor at Oxford—the small sub-groups of students in a big lecture class. I did it for three different colleges. I also became a senior member of a women's college—Lucy Cavendish College—of which I'm still a senior member. I wasn't supervising there, but by being a member, I was able to use the university library, which I needed, because I was still working on my dissertation.

But I did finish my dissertation while we were there. I think it was after the end of my first year there, I flew back to defend it, and then got my Ph.D. while we still lived in England.

KD: And so was it back to banking issues with the Fed again after you moved?

CG: Yes. When we came back to the States, we decided we wanted to live in a big city in the eastern half of the country, and wanted to go to a city where we both got jobs that we liked. Washington turned out to be the place. I went to the Federal Reserve Board, where I joined the financial structure group, which was the equivalent group of the one I had been in at the Philadelphia Fed—doing the same sorts of things: research, and then some cases where the staff would evaluate bank mergers or holding company acquisitions from a competitive perspective, and present them to the Board for a vote on whether to approve them or not. I was in that section about a year and a half when I was asked to be the special assistant to Governor Henry Wallich. Each year, he borrowed a special assistant from the research division for a year at a time.

That actually changed my whole perspective. He was wonderful. He was incredibly smart, very articulate, had a very broad perspective. He spoke a lot - gave a lot of speeches. As a result of being his special assistant, I was able to see a much broader view of what the Fed did, and the types of things that *I* could do, and I realized that I didn't want to go back to the section I had come from, and continue to do that for the rest of my life.

After the year was up, one of the officers in the group with whom I worked was then on loan to the Treasury Department. It was the last year of the Carter administration and they were having difficulty, as in any administration at the end, in filling some of the political appointments. He was on loan as the Deputy Assistant Secretary of Treasury for domestic finance. And he asked me to come over too, to be on his staff for that year. So I was on detail from the Fed to the Treasury, and worked, again, on a wide variety of issues, many of which have been very helpful to me in my current position. I was the liaison to the PBGC—Pension Benefit Guarantee Corporation—which is much in the news today. I was the liaison to the Small Business Advisory Committee, and we have our own small business advisory committee now. I worked on legislative issues, so I had interaction with Hill staffers that I had never really had before, from the Fed.

And there were just a number of much broader policy issues than I'd dealt with at the Fed. So, again, it was another broadening experience in terms of my career. And when the year was up, I went back to a different section at the Fed. I went to the capital markets section, where I worked on issues related to the thrift institutions and capital markets, including small business and securities-related activities, to the extent that the Fed dealt with them.

That was the year that interest rates were sky high. And as a small business economist, I would get the phone calls that were meant for Chairman Volcker. I remember sitting in my office holding the phone out about a foot from my ear, as these small business people, who clearly had a valid concern when rates were in the high teens, or even low twenties, were very upset with the Fed policy. Part of my job that year was listening and conveying my understanding. There wasn't much I could do, other than listen, and convey the concerns, obviously, to the Chairman's office.

KD: Paul Volcker wasn't quite the hero then that he is now.

CG: Well, it was a very tough transition that we had to go through. There was no choice; it was a question of when, not whether. And he was very effective in getting rates down, so that we can be in the environment we're in now.

KD: So as you're going through these broadening experiences, does this mean you're moving into taking a more macro view of economic issues?

CG: Not more macro but a broader range of micro issues. Moving from very specifically banking structure issues—mergers and acquisitions and competition in bank mergers—to issues related to small business - access to credit, efficient capital markets, the thrift issues - but adding to my portfolio of the micro issues. That's what was broadening.

KD: And at some point you wound up with a firm called Furash & Company?

CG: Well, before we got there, there are two other important steps. From capital markets, I had told the division director that I wanted some management experience, and wanted to move up. There was an opening for a Section Chief in a section called Financial Reports. At that point I honestly really knew very little about what that particular section did, but it was an opportunity to be a section chief. And *what* that section did was coordinate among the different divisions of the board and the reserve banks, and the other agencies, all of the reporting requirements of the Fed, of the banks and the thrifts, and anybody else that had to report something to us; that was all coordinated within this section.

It was less a policy section than a coordinating section. Everything was on a three-year rotation, and I was section chief for three years, so I actually saw all of the data that we collected over that three-year period. I had to work with the group that used it. I learned some important concepts, such as GAAP (generally accepted accounting principles) - I had never had an accounting course - regulatory accounting principles, and all the issues surrounding how you get the information, how you design a reporting form to make sure you get the right information, and make it clear—hopefully clear. Now that, as you can imagine, has been particularly important in what I do now. I did that for three years—I'd been at the Board for nine years at that point and decided it was time to go into the public sector.

I went first to a firm called Economists Incorporated, that was started by three people who had come from the Justice Department. Their focus was anti-trust analysis for mergers and acquisitions, but they didn't have anybody with a financial services focus. I joined them, focusing on financial services, although my work was really not the expert testimony type work that the rest of the firm did. What I did was financial services policy work for trade associations, and some of the large organizations. I did that for a couple of years. It was a great firm, but I had an offer from Furash & Company that was just too good to turn down. At Economists Incorporated, we were all economists, but I was the only banking person. At Furash, where they asked me to be Director of Research - it was a small bank strategy consulting firm—everybody had come from banking. Since most of the people were former bankers, they mostly had MBAs. There, I was the only economist, but we were all focused on the same industry. I spent close to eight years there, moving up from Director of Research to ultimately being one of the Managing Directors.

But the firm was sold, and the culture changed, there were some issues, and a number of us left, including Ed Furash. The firm doesn't exist anymore in that form; there's a small subset of it left, with a different name. I went to Ernst & Young; others went to some of the other big accounting firms. I spent five years at Ernst & Young, first in their risk management group, and then in their economics group.

KD: Are you still leading research projects at this point?

CG: Throughout this whole period, my work was focused on research projects: research policy questions for my various clients.

KD: And risk management: did that become an area of expertise?

CG: It did. The risk management was actually an exception to the policy research. I did do some research on it, but that was more client specific: helping clients—large financial institutions—develop risk management frameworks. I described these frameworks as a bridge. If you think of all the different risks a financial institution has to manage as pillars - credit, interest rate, liquidity, operational risk, there are seven or eight risks—the framework was the bridge across the top. Having the framework was important to managements to make sure that they were actually managing all of the risks appropriately, and talking about risk in the same way.

One of the most interesting exercises in each of those engagements was the first meeting with the senior management group, where I'd spend a day going through questions like: What is risk? And they, typically, had a different view of what risk was, and how they were trying to manage it. And then I would ask them what their process was for managing risk, and typically, they really didn't have one. But again, this was almost seven, eight years ago.

KD: So these are business people working on instinct, I guess.

CG: Right. I mean obviously they were managing their risks, but they didn't have a documented, well-articulated framework, which has become more and more important.

KD: Well, from Ernst & Young, you ended up coming to the SEC. Now was there a Fed nomination, or talk about that?

CG: There were rumors in the press, but no. What I learned with this Administration in particular, is that if you saw a rumor in the press, odds are, it wasn't true. There have been some exceptions, but for the most part, they've been very, very good about keeping their nominations secret until they're ready to announce them. What happened was: once President Bush was elected, I was very interested in being in the administration. As a Republican—I'm a free market economist—I feel very strongly about the Republican position, especially on business. I told my more politically active Republican friends that I was interested in a policy position in the Administration, if anybody was interested in me, in financial services.

I filled in the information on the White House personnel website. One day I got a call from a friend who'd been on the transition team, who said that they were looking for an economist for the SEC and asked if I was interested. I thought for about a minute because the SEC was not on my radar screen. After thinking about it, I decided that if they thought I was a potential Commissioner, then I certainly was going to explore it. So I said yes. And within an hour or so, I got a call from White House personnel to set up the first meeting. They clearly had vetted me before that meeting. The meeting itself was more to get a sense of me, and why I would want a position like this—not on my credentials; they'd already figured out that I had them.

At the end of the meeting, I said I was interested in pursuing this, and if they were too, it was important to me to meet Harvey Pitt, because I didn't know him. He had just started as the new Chairman. So within a couple of weeks, I got a call—and this is my Deep Throat story, it's really very funny—I got a call from Harvey's office to set up a meeting to meet him. They wanted me to come in through the garage, *not* through the front door. I said I would be in a taxi. They said, "Well the taxi can come in through the garage, and our head of security will meet you there."

So I told the taxi driver he could go right in through the garage, and he said, "No, I can't." I said, "Yes, you can." And he did; they didn't stop him. We got into the garage; it was the old building, and there was the head of security waiting for me. And then Harvey's right hand woman came down, and we went up in an elevator that was keyed so that nobody else would be in there. They were doing this, I believe, to make sure that nobody saw me, and didn't start any rumors. What I don't think they appreciated at the time was nobody at the SEC knew who I was. At the Fed—if I'd gone to a banking agency, a lot of people would have known who I was, but not here.

In any event, I went up and I was waiting outside of Harvey's office, reading the *Wall Street Journal*. He was late—Harvey was always late. I hadn't read the *Journal* yet that morning, and it was the day that they had the Washington Wire on the front page, the column with the little blurbs. There was a blurb about the SEC nominations. There were three names rumored on who might be Commissioners. Mine wasn't one of them. It was so funny, because there I was, talking to Harvey about being an SEC Commissioner; and none of those three names was actually ever named.

KD: Which backs up what you said earlier.

CG: It all fit. So then I went to meet with Harvey, and it was a great meeting; we really got along. We talked about our philosophies, which are very similar; and we decided that *if* I were to be appointed, as an economist, one of my focuses would be to review the regulations on the books from the perspective of whether they were accomplishing their objectives; whether they were efficient and effective; and if not, whether they needed to be changed.

KD: Let's back up a little bit, because you said that the people you were speaking to in the administration said right out that the administration wanted an economist in the SEC.

CG: That was what my contact, who asked me in the first place, said: that they were looking for an economist.

KD: Did you follow that up, and find out why?

CG: I was never sure if it was Harvey Pitt, or the President, or his advisors who thought they should have an economist. But it *is* unusual; most of the Commissioners are lawyers, traditionally, occasionally, an MBA businessperson. But there have been very few pure economists on the Commission.

KD: And shortly after you came on, there were two of them.

CG: No. I was still the only economist on the Commission.

KD: Paul Atkins: I thought his background was economics.

CG: He's a lawyer. They may have economics degrees as undergraduates, but their professional degrees are lawyers.

KD: Well tell me a little bit about Harvey Pitt, and working with him in that early period.

CG: Harvey and I really hit it off well. We're both from Brooklyn; we're both about the same age. We had similar cultural backgrounds, and philosophical views. So I really enjoyed working with Harvey. I communicated with him often. He was a big proponent of BlackBerries. Now I was somewhat of a technophobe when I got here, and I wasn't sure how I would feel about that BlackBerry. But it turned out that it's great. I love having my BlackBerry. And when Harvey was here, we would communicate by BlackBerry all the time. He did with the other Commissioners as well.

But it was great, because he would always respond quickly, no matter where he was; so you didn't have to try to get him on the phone, or get in for a meeting. If you wanted to say something, you just sent him an email—which I still do with him. Not quite as frequently as when he was here.

KD: Well, it sounds like the two of you were on the same page, so to speak.

CG: Yes.

KD: What was it that you wanted to do? You talked about looking at the rules as being a first task, but where, broadly speaking, did you want to move the SEC?

CG: Well, you have to keep in mind that between that conversation, which was in July or August of 2001, and the time I actually *got* here, some things had changed. 9/11 happened, Enron happened, and it was starting to become apparent that we had some very serious issues in the areas that we cover. Paul Atkins and I were both nominated in December, but we weren't confirmed—and we weren't going to be confirmed—until the two Democrats were nominated.

Normally, there's one term up every year; but for a variety of reasons - some people had left, some terms were up, somebody had died—all five of the positions were filled by President Bush in his first term. Obviously, Harvey was first; and then the rest of us—all four of us—were nominated by President Bush. By December, they realized that Ike Hunt, whose term had been up a year and a half before, was going to have to leave; the rules require that. And they realized that they were going to have to recess somebody into Ike's position or into another seat. There were only three Commissioners at the time:

Harvey, Ike, and Laura Unger. And Laura's term was up as well, although she could have stayed a little longer.

So they decided to recess Ike, because he'd already been vetted, and they recessed me. And then when the Democrats were nominated, we all got confirmed that following July. But I was here, as a recess appointment, from January to July, before the others came. I wasn't controversial: they just needed to choose me or Paul to recess, so that there were three Commissioners, and at least one was a Democrat, so it was balanced.

KD: So it was you, Ike Hunt…

CG: And Harvey.

KD: And Harvey. It was just the three of you.

CG: Just the three of us; and we had some very serious issues that came up during that period. We had the WorldCom vote; a number of serious issues—Andersen happened at that time too.

KD: Tell me about the WorldCom vote.

CG: The WorldCom vote was particularly interesting because I was on vacation in Portugal; and my BlackBerry didn't work overseas yet. It does now. But I did have my cell phone; and I started getting calls that morning after the restatement became public. One of my counsels was on the phone with me starting at eight o'clock in the morning here—it was the afternoon there—and we had a vote on our action. I think it was that night, or the next night; it was all scheduled. I was at a restaurant in Portugal and had to go off in a corner; and Ike and Harvey were here when we voted on that action. It was totally unexpected at that point.

KD: So you were phoning that one in. And is this the one that you had an action placed within seventy-two hours of the restatement?

CG: Yes, although I think we filed our case the next day. We also required the company to file a statement explaining the situation. Soon afterwards, we required the top nine hundred plus companies to provide sworn statements about the accuracy of their financial reports. And then it turned into one of the Sarbanes-Oxley requirements.

KD: So clearly, you've made the point that you had no choice but to be reacting to a lot of things.

CG: Right. What happened was: we had Sarbanes-Oxley legislation; we had a number of other financial frauds; we had the mutual funds scandals—a number of other things happened so that I never did get to the original project, which is still something that I think we should be doing: to evaluate all our rules from the perspective of whether they were accomplishing their objective. However, I still *do* use that thought process when we vote on new rules.

And this is where my perspective as an economist is different from the lawyer's perspective, I think. I look at a proposed new rule, or changed rule, first from asking the question: What are we trying to accomplish here? What's our objective? And is this rule going to accomplish that objective? And if it is: is it going to accomplish it in the most efficient and effective way? Are the costs going to outweigh the benefits, or vice versa? Are there going to be unintended consequences? Are we going to raise unrealistic expectations? And that's the framework that I think about when we talk about a new rule, or changed rule.

KD: As opposed to the lawyers?

CG: I think the lawyers do think about those things as well, but the sense I have is that they're often focused first on: Do we have the authority? What are the precedents? It's just a different way of looking at issues.

KD: Is it that you're looking at structure, perhaps? What the bigger effects of things are going to be?

CG: I'm not so sure it's structure, but I look at costs and benefits. That's my first question: Costs and benefits; is it worth it? And, is this the best way to do it? If the market will work—if the market will correct this problem, I don't think we need to be there doing it, because we will never be as efficient as the market.

KD: And at this point, you've taken us into Sarbanes-Oxley; it's passed. Harvey Pitt is no longer there.

CG: No, Harvey was here. Harvey announced that he was leaving on election night eve in November 2002, because of a big controversy over the selection of the new head of the new Public Company Accounting Oversight Board that was part of Sarbanes-Oxley. The whole tsunami, if you will, of that selection, I thought at the time, and I certainly think in retrospect, was very political, with a capital 'P', and was *very* unfair to Harvey. Harvey was being portrayed in the press as the kinder, gentler, Chairman.

KD: Those were his words.

CG: They were his words, but totally out of context. He was actually very tough. Harvey had imposed what he called "real time" enforcement. The backlog of cases when *I* got here was surprising—the enforcement cases, and the adjudication cases. Cases would come to us in the closed meetings for a vote that had been investigated for four years, five years;

sometimes the conduct was eight, nine years old. By that time, you lose evidence, you lose witnesses, they die, they forget, and so our enforcement wasn't always as effective as it could have been. Harvey, having been a General Counsel of the SEC, and being one of the most pre-eminent securities lawyers in the world, and certainly in the country, realized that in order to really have an effective enforcement program, it had to be more real time. We had to freeze assets quickly, otherwise you never got the sanctions, the penalties, the disgorgements, because the money was gone.

It was a much more effective strategy. We ratcheted up both the number and speed of the actions; we had record numbers of enforcement actions while he was here. The whole tone of enforcement changed; it was much, much tougher than it had been. That was my impression. I don't think the public appreciated how much of an investor advocate he was, how tough an enforcer he was. It all got subsumed in this political media frenzy, which was unfortunate, because he was a terrific Chairman.

KD: I guess it's the phenomenon of once a story gets started in Washington that everybody likes, that's the story they stick with.

CG: Yes. I've thought back on what could have been different, and the one thing is perhaps I should have spent more time talking to the press about my perceptions. I wasn't that familiar with the press at that point because during the time that I was a recess appointment, and before I was confirmed, I had been advised not to talk to the press; so I didn't. As a result, I really didn't have good press relationships. I didn't really start talking to the press until after my confirmation, which was in August; this all happened September/October. And I think Harvey believed that he hadn't done anything wrong—which, in fact, he hadn't—and so he didn't have to explain himself; which he probably should have. It might have helped.

KD: There was more pressure on the Chairman of the SEC at this point than there had been maybe…

CG: Since the beginning. I think that's right.

KD: Do you think that circumstance was extremely important? Or do you think this went ahead on its own?

CG: Well, to the extent that it meant that we were in the spotlight of the press, it made a difference; because whatever he did, or we did, got magnified in a way that five years before probably wouldn't have. I don't think most people, six or seven years ago, knew what the SEC was. After this all happened, when I'd take a taxicab, often my taxi driver would know what the SEC was, what some of the issues were. We've reached a completely different level of importance in society.

KD: Was Donaldson waiting in the wings when Harvey Pitt went?

CG: Well, what happened was: Harvey announced he was going to leave, but stayed on until his successor was not just named, but confirmed. So Harvey stayed through February. It was during that time that we promulgated just about every single one of the Sarbanes-Oxley rules.

KD: When Sarbanes-Oxley was passed there were statutory time limits: ninety days, a hundred and eighty days…

CG: Right. Many of them were, as you said, ninety to a hundred and eighty days; so we had to promulgate all of the rules within six months from the time the law passed—by the end of 2003 or by January of 2004. That was a very interesting time, because, as you may be aware, the Commission doesn't move that quickly in rulemaking. We take a long time to develop the potential rule; it goes out for comment; we get comments; we take a long time to look at the comments; so it's usually a couple of years to put a new rule in place. We had six months for a very long list of rules.

I have to say, I think it was one of the most effective times I've seen since I've been here; I've been here now about four years. The staff was very proactive and interactive. There was a group from the Chief Accountant's office that would come by my office almost every evening—I could expect them around five-thirty, six o'clock—and they would tell me where they were on the rules, and what the other Commissioners were thinking. As a result, we iterated to a place where we all agreed; and except for the PCAOB chairman, there was really no controversy when we got to the end, and voted on the rules. The reason we weren't all sitting down and discussing them ourselves, of course, is the Sunshine Act. The government, in the Sunshine Act, precludes us from meeting in private with a quorum to discuss policy issues. So the staff had to come to each of us. Our counsels can talk to each other in a group, but we can't.

Under the act, no more than two of us can talk, when there's a full five-member Commission. It is the one law in Washington that would be first on my list to change. If I could change any law, it would be the Sunshine Act. I know it sounds great, and it's hard to find fault with sunshine, but it makes it very difficult to be collegial, and to develop a consensus on areas where there are strong differences of views.

KD: Because…

CG: Because you can't sit down and hash out the issues, and you can't come to a compromise easily. Your counsels can only go so far in speaking for you, and if you're talking one-on-one, you never get the whole discussion in one room where you say: "Okay. You know, if we do it this way, I'm okay with it; but not if we do it that way." You just don't get there.

KD: And if you're in the public forum…

CG: You don't have that conversation in the public forum. You just don't. So by the time you get to the public forum, you know what you're going to say, and you say it. Each one of us says our thing. That's one of the reasons that we didn't have better consensus on some of the issues that came up later.

KD: It would seem that you've got these deadlines handed to you by Congress. Were people running around going crazy, just trying to figure out what to do?

CG: The General Counsel's Office developed a big work plan, which was critical to managing this process. It was very clear who was on each rule-making team: what the different steps were; what the deadlines were; what was expected of whom. They really kept track of that. and it worked very well. People did work long hours, there's no question. We all did, but the staff in particular worked very hard. They worked long hours. And we all knew—and Harvey was still Chairman—we were meeting these deadlines. We were not going to let a deadline slip. And we didn't. We didn't miss any.

KD: The General Counsel's Office is involved; Commissioners are involved. What about the other divisions?

CG: Everybody was involved. The divisions drafted the rules.

KD: Whatever was in their bailiwick.

CG: Yes. Each office or division drafted the rules that were appropriate to them. And they briefed us, kept us informed of where we were. We saw drafts. So *everybody* at the Commission was involved in this effort. And we did a great job, I think. The rules speak for themselves. The law was pretty prescriptive, so we didn't have a whole lot of leeway in writing the rules. But the one exception, in terms of implementation issues, is Section 404, the internal control section; but the issue there, in my view, is really PCAOB Auditing Standard No. 2, not our rule. PCAOB Standard 2 provides the audit standards for what the auditors have to do to make sure the companies are in compliance with 404. And that's created, I think, undue burden and a misfocus on what needs to be done, and I think we need to open that up and readdress it.

KD: That was going to be the question. 404 is the section in the legislation.

CG: 404 is the section in the Sarbanes-Oxley Act; and it's only a few hundred words. It basically requires that CEOs have to disclose the effectiveness of their internal controls, which of course, requires that they actually review them and they have a process for doing that, and that the auditors have to attest to the accuracy of the disclosures. I'm not sure I'm saying that quite right.

KD: They have to show that there's a plan in place.

CG: Right. And our rule, essentially, said that. Under Auditing Standard No. 2 though, the PCAOB said an auditor can't attest to the process without actually testing the controls themselves. They have to attest to the *controls*, and that's a whole different focus.

KD: So the complaint about this: The reason that this is controversial, is it just lack of resources?

CG: I don't think so. My view is it's misfocused. The point of this exercise in the law was that management should understand the controls that are in place to make sure their financial statements are accurate. And so it should be a top-down, risk-focused exercise to make sure that the financials are materially correct. What it's turned into is a bottom-up auditor focus that, in my view, looks at controls more for controls-sake than the bigger picture risk issue. Why that matters is we may be having companies spend too much time focusing on these controls, and missing the big risks. Also, it *is* taking resources away from other things, i.e. running the business as a business, other risks—because there are other risks than financial reporting risks. So I think it's a combination of misfocus of the objective—going back to what I look for in rulemaking—and misallocation of corporate resources.

KD: Now if this is an issue with the PCAOB's Auditing Standard No. 2, what can the Commission do?

CG: Well, we oversee the PCAOB. Going forward, there will be a new Chairman of the PCAOB soon; we need to work with the PCAOB board to rethink how the 404 requirements are being implemented. We had a roundtable, as did the PCAOB—or at least they joined our roundtable—and we put out guidance to this effect in April and May. We both did. The problem is that underlying language of the standard, AS2, is still on the books. What I'm hearing is that the guidance may say the right words, but if the standard is written the way it is, then the auditors aren't going to change what they're doing, because they're very concerned about themselves. They are examined by the PCAOB, and they're very worried in this environment about not doing enough.

KD: They just want to know how to pass the test.

CG: Exactly. If they know the rules, they'll do what the rules say, but right now, the rules are pretty inflexible.

KD: Something else that's going on in this time period, to add to some of the excitement is you got Eliot Spitzer running around, getting in the headlines. You don't have to tell me what kinds of things were said about Eliot Spitzer at the time, but I'm wondering how the Commission responded to some of the issues that he was bringing up.

CG: Well, Eliot is very smart. There's no question. And he did bring out things that we hadn't—to his credit. But he did it in a way that was very different from the way we operate. We don't make public our investigations until we're sure there's something to be made public - either a settlement, or litigation. But if we do an investigation and then we drop it, hopefully nobody knows, and nobody's reputation was hurt. Spitzer doesn't seem to operate that way. And for some of the things that he brought to light—not all of them, but some of them—we *were* working on them.

KD: Such as…

CG: Some of the mutual fund issues, not the market timing; but there were some cases where we were there, but nobody knew it. I know that it was enormously frustrating for the staff because we couldn't say that, because of the way we do business. And I am much more comfortable with the way we do business in that regard than the way Spitzer does.

KD: Were you working at cross-purposes?

CG: I don't think ultimately it was at cross-purposes. I think our goals were all the same. We did all want to protect investors. But it was the emphasis, and also the sanctions. We are the investors' advocate, and our mission is to protect investors and maintain the efficiency and integrity of the markets. But we are, at heart, a disclosure agency. And some of the sanctions that Spitzer brought, that we did jointly with him—and some he brought on his own—were much more micro-managing the business than we would do. For example, one thing that he did do that we would not do is that, in some of his settlements on the market timing side, he required the investment advisors to reduce their fees. And our view—and mine, especially—was that's not our job. We don't set fees. We can make sure fees are disclosed, so people can compare fees, but we shouldn't be in the business of setting fees. That's not our role.

There were other issues like that. The global analysts' settlement, for example, was a compromise among us and fifty states, and the NASD, and the New York Stock Exchange. It's a lot of fingers in the pie. It's not as streamlined a solution as one might have hoped.

One point that hasn't come out yet in this interview, and one of the areas that I'm particularly interested in, is investor education. One legacy that I'm very proud of is that, as part of that settlement, I asked Steve Cutler, our Director of Enforcement, if we could get some of the money dedicated to investor education. I have to say, I was thinking of $5, $10 million dollars. We ended up with $87 million dollars that was divided up among the states and us. We got about $55 million, which took a while to actually get in place and doing something, but it's now going to the NASD Foundation to be used to promote programs and research on investor education.

KD: What kind of programs? How is that reaching the general public?

CG: They haven't started using our money yet. I don't think they've quite gotten it. From my point of view—because I do believe in letting markets work—in order to have markets work, there are two very important components: One is complete, clear, transparent information on the securities and on the markets. The other is investors who understand it. And, as an agency, our focus *is* on good, clear disclosures. We have more to do there.

KD: Talking about plain English?

CG: Plain English, shorter, streamlined disclosures. In our mutual fund disclosures, for example, we keep adding things, we never take anything away, and so they're getting thicker and thicker. No matter how wonderful the information is that's in there, if it's too thick, nobody's going to read it, so it's not that helpful. But then the other side is investor education. And we have a terrific investor education office here, but we don't have the resources to develop a lot of programs. We're a good source of existing programs, and we have a great website.

KD: Is that something new?

CG: Investor ed?

KD: Yes. How long?

CG: Well, it was here *at least* under Chairman Levitt. I'm not sure if before that.

KD: Going back to the reaction to Spitzer: I would think—well, certainly at this time the press is involved, and there's a lot of pressure for enforcement. People want to see things being done to the bad guys. Did the SEC's enforcement program, or approach, change perceptibly during these years in response?

CG: I think it had already started with Harvey and his real time enforcement. And we, as the Commission, wanted the bad guys to be out of the business. Since I've been here, all the Commissioners have been tough on enforcement. Occasionally there's a dissent on some aspect. Occasionally there's a case that I think shouldn't be brought. Occasionally there's a case where I think the sanctions aren't tough enough. But with very few exceptions, we all agree, and we're very tough on enforcement.

KD: The issue of fines…

CG: Penalties.

KD: Yes. Corporate penalties. It's becoming possible to take those corporate penalties back to the…

CG: Through the fair funds. Yes, that has been an area of some disagreement among the Commissioners. My personal view is—and of course, I'm speaking *only* for myself—my standard disclaimer, I forgot in the beginning—*only* for myself: I have no problem with imposing corporate penalties if the conduct has benefited the company, and therefore the shareholders. For example, under the Foreign and Corrupt Practices Act, if the company has bribed foreign officials, which is against the law, in order to develop business and get more profits, I have no problem with a penalty, because the shareholders have benefited in some sense.

But *if* the conduct, such as in a financial fraud, has hurt the shareholders, then I have difficulty with the concept of penalizing the company. I have *no* problem with penalizing the individuals, and I think that's a stronger deterrent anyway. Now what complicates this is the Fair Funds, which is part of Sarbanes-Oxley, that enables us to give the penalty money back to the victims. You could always give disgorgement money back to the victims, because you were disgorging ill-gotten gains back to people from whom you got them. But the penalty money used to go to the Treasury. Now we can give it back to the victims.

But the issue, again, for me, is when the conduct hurt the shareholders, yet the penalty, in essence, is being paid by the shareholders because it's coming out of corporate funds. You don't know if it's the same shareholders, or different shareholders, and our process for getting the funds back through the Fair Funds is still being worked out. It's not as easy as it sounds. Then I still question the corporate penalties on that subset of cases.

KD: Well, we've gotten to where Chairman Donaldson is coming in.

CG: Chairman Donaldson came, yes.

KD: Did the focus shift when he came in? Was there a sense that he wanted to change direction in any way?

CG: Not initially, although I think that's probably true of any new Chairman. It takes a while to gear up. He did support some rules that I was uncomfortable with; he was reacting not just to the accounting scandals and Sarbanes-Oxley, because by the time he got here just about all the Sarbanes-Oxley rules were in place; but then we had the mutual funds scandal. As a result of that, we had a number of new rules; and we also had the securities markets structure issues that had been going on and been discussed for a long time, and they finally came to a head, in terms of new rules while he was here.

KD: Let's talk a little bit about the mutual fund issue. Essentially, this is a question of the governance of the funds themselves?

CG: Right. There were several different mutual fund rules. I can't remember the specifics; but we required funds to have compliance officers, among other things.

KD: Independent directors?

CG: The controversial one was the 75 percent independent directors and independent chair. And the ostensible reason for this rule was that we needed better governance because of the mutual funds market timing and late trading scandals. My problem with the rule was, above all, that there was no evidence showing that this governance structure was better than the existing governance structure. I had asked for research to be done, and we never did it. At that time, 80% of mutual funds had inside chair people, and 20% had outside chairs. Most of those were bank-related, because the law, at the time, didn't permit banks to have funds with inside chairs. So we had information, and one could have easily evaluated whether funds with inside chairs did better or worse than funds with outside chairs. But we didn't do that.

KD: Why not?

CG: Well, that's a good question. I asked that it be done. For whatever reason, we didn't do it. In addition, when you looked at the funds that were implicated in the market timing and late trading activities, approximately 20 % had outside, independent chairs, and 80% had inside chairs; so there was really no evidence that it made a difference *either* to this particular activity, *or* to governance overall. There was some anecdotal evidence, and a study was done for Fidelity by some academics that has been criticized. But any evidence I saw suggested that there was no significant difference in the performance or the expenses of the funds with inside chair versus outside. So my view on that rule was: I didn't see what we were accomplishing. No one had shown me any evidence to suggest that this change was going to accomplish its objective.

KD: But there were some pretty strong views on the other side nonetheless.

CG: Yes.

KD: You even had the ex-Chairmen of the SEC coming together and saying that this is a good thing.

CG: Well, it was a motherhood and apple pie thing. It sounded good. How could you be against better governance to combat the market timing and late trading scandals? But nobody had ever shown the connection between this board structure and the things that the mutual fund holders care about, or the scandals.

KD: Well it's pretty clear where the mutual fund issue came from. And you had dissent on that one.

CG: I did.

KD: Was that a three to two?

CG: It was a three to two.

KD: One of the ones that I've got a question about is the hedge fund issue. Now, with mutual funds you had the scandal and, as so often happens with scandals, the attempt to make new rules. Why hedge funds in 2003?

CG: When Harvey Pitt was here, he asked that the staff in the investment management division do a study of hedge funds, because they were growing rapidly and were getting pretty big. He wanted to see if they were becoming retailized—which is a word we seem to have coined—i.e., if there were more small investors investing in them directly or indirectly, and if they seemed to be more conducive to fraud than other type of vehicles. The study was completed after Harvey left and it went to Donaldson.

Donaldson read the study and decided that, despite the fact that it found no significant retailization, and no evidence that hedge funds were any more conducive to fraud than other vehicles—at least at that point, nevertheless we should register hedge fund advisors. And at the time, we had some discussion over whether the study should be a Commission study or a staff study with these recommendations in it, because these recommendations didn't match the findings. It turned into a staff study; it was *not* a Commission study.

KD: Whose recommendations were they?

CG: Staff.

KD: Okay.

CG: Although I believe that Bill Donaldson influenced the staff's view of what the recommendations should be. I'm not *quite* sure how that happened. So at the time—and this is before the rule proposal was actually out, but the recommendations were in the study—I suggested to Bill that we do some more research since we didn't find what we thought we would find. But hedge funds were still growing and significantly, so we ought to figure out what we were really worried about and see if we could determine the best way of seeing red flags, or potential problems, *before* we promulgated a rule. His reaction was that would take too much time, and he went forward with his rule.

So I dissented, both when we went out, and when we promulgated the rule. And now, we *are* trying—we have a hedge fund task force—and this was when Bill was still here—whose role seems to be to try to figure out what the red flags are, what kind of information we need. What I suggested—and this had been suggested by others in the comment period at the time—was first of all, why don't we raise the eligibility requirement for qualified investors to keep investment in hedge funds from being retailized. Also, why don't we—and this was suggested from the public—do a census, and require some reporting, once we figure out what those would be that would be helpful? More systematic reporting would give us the ability to compare funds and see exceptions, and to figure out what the red flags are. We should have looked at enforcement cases we've had to see what information might have been helpful sooner. We are doing that now, but we didn't do it then.

And my concern on the registration is twofold. First, the ADV form, which the hedge fund advisors will be filling out, really isn't that informative in terms of the kinds of information that might be helpful in raising red flags. Also, in the inspections that we'll be doing, again it's not clear that we know exactly what we're looking for; our staff is not that knowledgeable about hedge funds. Hedge funds are very complex. Second, I am concerned that we'll be perceived to be giving some sort of seal of approval, just by the fact of registration, which isn't warranted. And we really don't have the resources. The number of investors in hedge funds—Paul Atkins and I figured out—is well below a million; Paul came up with a ballpark of two hundred thousand—compared to the ninety-plus million investors in mutual funds. It just doesn't make sense to spend our resources this way.

KD: What about the argument that you don't want another Long Term Capital Management situation where you've got the Fed coming in and stopping people from perhaps wrecking the entire economy?

CG: Absolutely. I agree. We don't want another Long Term Capital Management. But our ADV form and our inspections, I don't think, would *ever* find a Long Term Capital Management problem. That was a leverage issue, and used very sophisticated models—that's not the kind of thing we would find.

KD: Is that the one where you wrote a joint…

CG: We wrote joint dissents on all three of our dissents.

KD: As far as I know, this was a first, right?

CG: Was that the first one ever?

KD: Yes.

CG: In the history of the Commission? I'm not sure.

KD: Okay. And, while we're hot: regulation NMS—now the national market system had been coming on for a long time. How much concern was there before Donaldson came in? How much was the Commission trying to shape it?

CG: The tough issue was the trade-through rule in the ITS—the inter-market trading system. That *was* a problem.

KD: Why?

CG: Because the result of it was that the slow markets held up the fast markets—the floor markets held up the electronic markets. And you didn't necessarily get the best price. It was sort of a phantom price. And the market had to go reach out for the phantom price, which might not have been there. So you ended up getting a worse price than if you didn't have to do that in the first place. It would have been simpler to just eliminate the ITS rule, and let the markets actually work. But instead, we have this complicated rule that extended not just to the market where the problem was, which was the floor-based New York Stock Exchange, but also to the NASDAQ, where there had never been a problem, as far as we could tell. No serious complaints. The trade-through rate was well below two percent, it appeared. It didn't seem to be a problem, but we have imposed this solution on the NASDAQ as well as the New York Stock Exchange.

KD: But the whole premise of the national market system is to bring everything together, right? It seems like that would be the intention.

CG: If the goal was to bring everything together, we should have had one market. But we didn't do that. It's sort of the worst of both worlds, which is what we articulated in our dissent. It doesn't go as far as a CLOB, central limit order book, which would truly be one big market where you get the best price at the time. There is no time/price priority still. There's just price priority.

KD: Is the CLOB just too out there? Is that too invasive?

CG: The concern is not so much that it is invasive, but that you wouldn't have competing markets to develop innovations and new ways of doing things. And in fact, if you look at the innovations with the ECNs and the new markets, that has been very beneficial to the market.

KD: Okay.

CG: The NMS rules protect top of book at each market; but if the next price down in the market is better than the top of book at another market, it's not protected. So there are anomalies that just don't make sense. My understanding is that the implementation is going to be very difficult. We're already getting lots of questions and Paul and I predicted that.

KD: And one of the interesting things that happens then is you get—you have your NMS rules promulgated and then you have the New York Stock Exchange coming out with its announcement that it's going to acquire on-line capability. NASDAQ does the same thing—is this cause and effect?

CG: In my view, not in the way that some people have portrayed it. They just needed certainty of what the rules were. I don't think it mattered what the rules turned out to be, as long as they were clear, and then they could go ahead with those plans.

KD: And by the time you'd gone through these three—and they got to be fairly high-profile dissents—how were things going on the Commission? The numbers are something like ninety-eight percent of what you're doing is uncontroversial—was this just a little blip that got blown out of proportion?

CG: To some extent it probably did get blown out of proportion. These were important rules though. And it's true that the vast majority of everything we did was unanimous. But on the subset of the handful of things where we disagreed, they were important issues, both in principle and in practice. My view is that we have some rules on the books now that shouldn't be there. If you're asking what it did to relationships…

KD: To the functioning of the Commission.

CG: Well, the Commission continued to function. We had all our meetings, and all our discussions with the staff. It wasn't quite as open as it might have been, between all the Commissioners and with the staff. It wasn't as interactive as early on. We had less input into rules as they were developing, certainly, than during the Sarbanes-Oxley period, for example, where it was highly interactive; they were checking with us every step of the way to make sure we would coalesce to the same place. There was none of that. For the most part, rules were presented to us as a *fait accompli* to vote on, or not.

KD: Was it unexpected that Chairman Donaldson stepped down?

CG: The timing was. I had assumed he would step down by the end of the year. I was surprised that he stepped down when he did.

KD: Why did you assume that he would step down by the end of the year?

CG: I wasn't sure how much time he had committed to when he came. But he was commuting to New York. He had a young teenage son, who was in New York, and it just seemed to me that after he'd accomplished what he'd accomplished that there was some point at which he would decide it was time to go home.

KD: And was Christopher Cox a surprise nominee?

CG: I had never heard of Christopher Cox until he was nominated. But the White House wouldn't have asked us anyway. The White House never talked to me about Bill Donaldson either.

KD: But of course, in between those two you're acting…

CG: I was Acting Chairman.

KD: So you got the seat. What did you want to do?

CG: Well, there were a couple of things. I wanted to make sure that the Commission kept on doing the Commission's business. We continued to have the meetings on the enforcement actions; we continued to develop some of the rules. And there were a couple of rules that, if they'd been ready, I would have gone forward with. But I was only Acting Chair for about five or six weeks, so I didn't have much time. But I would have moved some non-controversial rules if they were ready. It's a very different perspective being Chairman, because the Chairman is responsible for the running of the organization. In a sense, the Chairman is like the CEO and the COO.

Although as Commissioners we all have an equal vote on all of the actions, the Chairman sets the agenda and decides what we're going to vote on, and also oversees all of the personnel, and the IT, and the management issues. In those several weeks that I was Acting, I was briefed on where we were regarding the budget process that was about to begin. If Chris hadn't been confirmed before the summer recess, I was going to have to get involved in the budget process, so I had to be brought up to date very quickly on all these issues. The other issue that was new for me was the market watch. The London subway bombings happened while I was Acting Chair, and suddenly, *I* was the one with the phone, being briefed every hour on what was happening. The concern regarding that particular incident was that it looked like it was happening near train stations. We're right next door to Union Station and didn't know what might happen here.

Therefore, we had to have contingency plans. Our market watch people are excellent, and they were already in touch with all of their counterparts. But I was in touch with Alan Greenspan, Treasury Secretary Snow, and Reuben Jeffery, the CFTC Chairman, because we all had to touch base just to make sure we all knew what everybody was doing. As a Commissioner, one doesn't normally do that. So, there were a number of things that came up when I was Acting Chair that I'd never really had the reason to experience, as a Commissioner.

KD: So you had another broadening of perspective.

CG: *Another* broadening of perspective. Absolutely. My other goal for my Acting Chairmanship was to make sure that we didn't have any more bad press, if I could help it. I succeeded in that one; as far as I can remember, we didn't have any significant bad press during that time.

KD: How did you do that?

CG: Well we didn't do anything controversial.

KD: Put your head down.

CG: Exactly. I had senior staff meetings, and I emailed the staff when I started, emailed the staff when I finished. You know, I did take charge, and do what a Chairman would do; and I was prepared to do that until Chris came, whenever that might be.

KD: So you've gone through these somewhat tumultuous early 2000s, and hopefully things will settle down a bit. What becomes possible at this point? Beside the study that you talked about wanting to do when you first came in, what else is on the agenda?

CG: Well, there's still a number of things that have to be done. We still have to deal with Reg B, the Gramm-Leach-Bliley bank push-out provision.

KD: You should be good at that, right? It involves banking.

CG: Harvey had asked me to focus on that when I got here. I continued to focus on it with Bill; I'm continuing to focus on it with Chris. And I'm hoping we can come to some agreement with the bank regulators and the industry on a rule that meets our purposes and the legislative objectives, without the burdens that were in the proposed rule.

KD: You need to figure out what gets pushed out of banks into…

CG: Into broker dealers. What the rule does is it articulates how one determines what gets pushed out or not. As it was drafted, and as it went out for comment, it's very burdensome. I don't think it needs to be that burdensome. I'm sure there's another way of doing it. So we're still working on that. Regarding other issues, I think there are some disclosures that are important—the point of sale disclosures for when mutual funds are sold by broker dealers. I think the investors need to understand the potential conflicts and the costs of the transaction itself, as well as the ongoing costs of the fund. That's taken a long time. We've done focus groups; used consultants to get input from real investors on what works and what doesn't. I think we've come a long way in figuring out what works best. Now we've got to balance that with the costs that the industry says they will incur if we do it the way we've proposed.

So we're still working on that. But I think we still need some point of sale disclosures. Other issues out there on the horizon include, hopefully, stepping back, and improving all of our disclosures—some more plain English and streamlining. Hopefully there won't be anymore scandals, and hopefully we can be more proactive in developing new rules, or revising old rules, or eliminating rules—which is what we've been doing in the Corp Fin area, with Securities Act reform, and some of the other rules that are coming up.

KD: Well, I'm interested: Given your perspective on what you've done for the Commission, do you think it would be useful for there to be a stipulation that you always have to have an economist? We've got the woman rule, obviously.

CG: Well, we're past the woman rule, because now we have two women, so the woman rule becomes irrelevant. Once you have two out of five, it's a non-issue.

KD: That's great.

CG: That's historic.

KD: Yes, a landmark.

CG: When Annette was nominated—or confirmed, I can't remember—my mother-in-law said—oh, she really didn't like that. She really didn't like having another woman; she wanted me to be the only woman. And I said, "No, no, no. You don't understand! It's *much* better to have another woman; then you're not there *because* you're a woman."

KD: Right.

CG: So. The economist rule: Well, just like I wouldn't want to impose an independent chair, or 75% independent directors on a mutual fund, I wouldn't want to lock-in the make-up of the Commission for any particular President down the road. I do think that it is helpful to have my perspective, which is different from the lawyers'. I think we should be using our economists more. We have a very good Office of Economic Analysis. We've got some very strong people in there. And we *have* been using them more and more. Whether there's an economist on the Commission or not, we should make more use of our economists on staff.

KD: At this point is there anything that we've completely missed that you'd like to discuss? Or something that we touched on too lightly?

CG: I don't think so. I just looked at *my* list of things; I think we've covered them all. The only thing I would say in ending this interview is: This has been the best job I've ever had. I've been working on financial services policy, basically, for my whole career, but until this position, I've always been advising other people on the policy issues. Here, *I* get to make the policy; or at least I get to vote on it. I don't always win, but at least I get to vote on it, and I get to vote the way I think is right. I'm really not beholden to anybody for my vote. And that's a *very* good feeling. So I've really enjoyed it. And it's been an honor to be able to serve in this capacity.

KD: Terrific. Thank you very much for talking with me.

CG: You're welcome. Thank you.