


THE WHITE HOUSE

WASHINGTON

July 28, 1990

APPOINTMENT MEMORANDUM

NAME OF CANDIDATE: Richard Young Roberts
POSITION: Member, Securities And Exchange
Commission
DATE OF INTERVIEW: July 20, 1990
INTERVIEWER: Mark R. A. Paoletta 

COMMENTS:

Richard Roberts is currently an attorney at the law firm of Miller, Hamilton, Snider, Odom, and Bridgeman in the Washington, D.C. office of this Alabama-based law firm since April, 1990. Previously, Mr. Roberts was Administrative Assistant to Senator Richard Shelby (D-Al) from 1987 through April, 1990. He was a self-employed attorney from October, 1985 through January, 1987 in Alabama; an attorney at the law firm of Perry, Russell & Roberts from August, 1984 through September, 1985; and an attorney with Pappanastos, Samford & Roberts from January, 1983 through August, 1984. He was the Administrative Assistant to then Congressman Richard Shelby from January, 1979 through December, 1982. Mr. Roberts was an associate at the Law Offices of Richard Shelby from September, 1976 through January, 1979.

Mr. Roberts received his B.E.E. from Auburn University in 1973; his J.D. from University of Alabama Law School in 1976; and his Master of Laws in Taxation from George Washington University in 1981.

Authority

15 U.S.C. 78d(a) authorizes the President to appoint five Commissioners to the Securities and Exchange Commission with the advice and consent of the Senate. Mr. Roberts will serve in the five-year term expiring June 5, 1995. The statute states not more than three commissioners shall be members of the same political party. Mr. Roberts, a registered Democrat, will be filling the seat previously held by Mr. Grundfest, a Democrat. Mr. Roberts' appointment will not upset the political balance of the Commission, as required by law. The January 4, 1990 memo (by Marilyn Wagner) on Philip Lochner and the September 7, 1989 memo (by Amy Schwartz) on Richard Breeden in the file have more complete information concerning this authority section.

Financial Disclosure Review

I have reviewed the above-referenced memos in the file concerning the relevant statutory and Standards of Conduct regulations. I have reviewed Mr. Roberts' SF 278, SF 86, and Personal Data Statement. His forms reveal that his financial interests include an IRA at Merrill Lynch, a savings account, and two checking accounts. Lyn Blatch, ethics counsel at the SEC, indicates in a July 16, 1990 letter to Brent Hatch in the file that she has spoken to Mr. Roberts about clearly identifying the holdings in his Merrill Lynch IRA. As the letter further indicates, Mr. Roberts indicated "None" in Schedule D, Part II "Compensation In Excess of \$5,000 Paid by One Source." Since the date of that submission, Mr. Roberts has apparently received such compensation and will correct Schedule D and execute a new signature page when he is nominated. He will also make a number of technical corrections and additions to his form, as described in a letter from Ms. Blatch, which is in the file.

Mr. Roberts reports in Schedule B, part II that he received from the Securities Industry Association an airline ticket, hotel room and meals incident (which he values at \$1,000) when attending a national conference while he was on Senator's Shelby staff. His 278 also indicates that pursuant to his partnership agreement with his law firm, Mr. Roberts will receive a capital accounting and a partnership share calculated on his services performed through the date of his withdrawal from the partnership.

Ms. Blatch has reviewed Mr. Roberts' 278 and believes that there is no asset listed which creates a real or apparent conflict of interest under 18 U.S.C. 208 or under the statutory SEC restrictions on participation in stock market operations. I agree. Ms. Blatch also assured me that Mr. Roberts is going to execute all the necessary recusal statements when he is nominated as a Commissioner on the Securities and Exchange Commission.

Other Information

Mr. Roberts indicates on his SF 86 that he was formerly a member of the Indian Hills Country Club (from 10/76 through 12/78). According to Mr. Roberts, this club excluded from membership black and Jewish people. He stated that this exclusion was not in the by-laws or charter, but believes it was an informal policy. He was not involved in club management and resigned in 1978 when he became a federal employee. Mr. Roberts also indicates that a disgruntled client filed a complaint in 1976 against Mr. Roberts. The complaint was investigated by the Tuscaloosa Bar Association and dismissed for lack of any factual basis.

Conclusion

No matters of a controversial or embarrassing nature were revealed during the review nor in the personal interview. Assuming successful completion of all background checks, I recommend that the nomination of Mr. Roberts be allowed to proceed.

cc: Jane Dannenhauer