

MEMORANDUM

TO: All Personnel

FROM: Stanley Sporkin, Director

I am pleased to announce the second and third phases of our reorganization plan. Phase two consists of the appointment of five assistant directors (Ted Altman, Jim Clarkson, Dave Doherty, Richard Kraut and Ted Levine). Three assistant directors (Clarkson, Doherty and Kraut) report to Wally Timmeny and two (Altman and Levine) to Irwin Borowski. Under each of the assistant directors will be two branch chiefs. Mr. Al Rusch has been appointed Special Counsel to the Director and Mr. Larry Grimes has been designated Assistant Chief Trial Counsel. The newly appointed branch chiefs are: John Carleton, Mike Drake, Ralph Ferrara, Mike McConihe, Bob Ryan and Gary Sundick.

Phase three of the reorganization plan consists of the appointment of a third associate director, Ted Sonde, presently Assistant General Counsel. The division is very fortunate to obtain a person of Mr. Sonde's outstanding qualifications. He should make a tremendous addition to the staff. Mr. Sonde will be in charge of our office of litigation headed by Bob Laprade and the Chief Counsel's Office which will be in charge of Rick Jaeger.

April 23, 1974

The Commission announced a reorganization of its Division of Enforcement. Theodore Sonde has been appointed Associate Director joining Associate Directors Irwin Borowski and Wallace Timmeny whose appointments were announced in February.

The Commission also announced the appointment of Alfred E.T. Rusch as Special Counsel to Director Stanley Sporkin. Five Assistant Directors and six Branch Chiefs were appointed in the restructuring of the Division. Richard Kraut, David Doherty, James Clarkson, Theodore Levine and Theodore Altman were appointed Assistant Directors. John Carleton, Michael McConihe, Robert Ryan, W. Michael Drake, Ralph Ferrara and Gary Sundick were appointed Branch Chiefs. Richard Jaegar was appointed Chief Counsel of the Division and Rose Jaffin Assistant Chief Counsel.

Richard Kraut will head the Office of Market Surveillance, David Doherty will head the Office of Criminal Reference and Special Proceedings and James Clarkson will head the Office of Regional Office Assistance and Program Management. These offices will be under the supervision of Associate Director Timmeny. Theodore Levine will be responsible for two general enforcement branches. Theodore Altman will be responsible for the Branch of Investment Company Enforcement and the Branch of Corporation Finance Enforcement. Associate Director Borowski will supervise the activities of the Altman and Levine offices. Associate Director Sonde will have the responsibility for the Division's Trial Unit and the Office of Chief Counsel. Special Counsel Rusch will assist the Director in the management of the joint SEC and NASD task force and a task force on investment company problems.

The newly appointed Branch Chiefs' responsibilities will be as follows:

Ferrara - Branch of Enforcement #1  
Drake - Branch of Enforcement #2  
Sundick - Branch of Investment Company Enforcement  
McConihe - Organized Crime Branch  
Ryan - Branch of Criminal Reference  
Carleton - Branch of Market Surveillance #1