

THE WHITE HOUSE

WASHINGTON

June 17, 1987

Dear John:

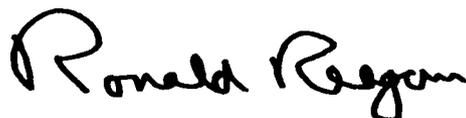
It is with regret that I accept your resignation as a Member and Chairman of the Securities and Exchange Commission. For the past six years, longer than any Chairman in the Commission's history, you have served with wisdom, imagination, and industry. I am pleased, however, that you will continue your distinguished service to your country.

Under your stewardship, our capital markets have experienced phenomenal growth and today are the largest, most liquid and efficient in the world. Through automation, paperwork reduction, and regulatory simplification, you have increased the Commission's productivity to keep pace with the market's expansion. All the while, you have achieved remarkable success in rooting out fraud and abuse in the securities industry. When you became Chairman you promised to come down on insider traders with "hobnail boots," and you can be proud of your record on that score. I know that in the future you can look back with pride on all you have achieved at the Commission and take satisfaction that you did so without increasing the size of the staff.

You are not, however, all business. I know of your deep commitment to community, charity, and educational activities. Your generous gift to Harvard Business School to fund a teaching program in ethics appropriately reflects your sincere dedication to the vital role of morality in modern American society.

I know that your wife Patricia is as committed to public service as you. Nancy and I send our warm wishes to both of you as you begin your duties as our Ambassador to the Netherlands.

Sincerely,

A handwritten signature in cursive script that reads "Ronald Reagan". The signature is written in dark ink and is positioned below the typed name "Ronald Reagan".

The Honorable John S.R. Shad
535 Park Avenue
New York, New York 10021