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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

January 4, 1989

The Honorable Nicholas Brady
Secretary
Department of the Treasury
Washington, D.C. 20220

Dear Secretary Brady:

Since his confirmation as Chairman of the Securities and Exchange Commission, I have had a close working relationship with David Ruder. However, it is my understanding that Harvey L. Pitt is currently under consideration for that Chairmanship.

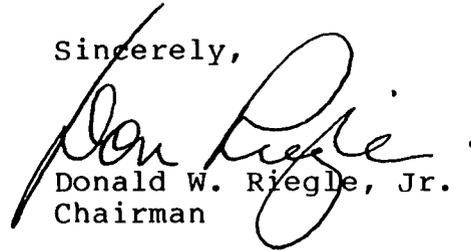
As you know, as Chairman of the Securities Subcommittee of the Senate Banking Committee, I have worked very closely with Harvey. He testified in 1987 before the Subcommittee with respect to the authorization for the Securities and Exchange Commission and he later accepted my offer to chair an ad hoc group of outstanding securities lawyers to come up with a clarification of the law on insider trading. Subsequently, Senator D'Amato and I sponsored S. 1380, the "Insider Trading Proscriptions Act of 1988" which was drafted by Mr. Pitt and the ad hoc group. Both his testimony before the Subcommittee and his work product on S. 1380 have been recognized on a bi-partisan basis, as being outstanding.

Harvey Pitt has a comprehensive understanding of the securities markets and securities laws. In addition to being Chief Counsel of the Division of Market Regulation at the Commission from 1972-1973 he also served there as Executive Assistant to the Chairman from 1973-1975 and was General Counsel from 1975-1978.

He is extraordinarily active in the corporate securities bar and based on his recent experience in private practice, I believe that he would bring to the Commission the background and inside knowledge that would improve both the regulation and enforcement of our capital markets, domestically and internationally. He is also intricately familiar with all aspects of the administration and operation of the Commission as well as the subject matters which fall within the Commission's jurisdiction.

I believe that Harvey Pitt would make a fine Chairman of the Securities and Exchange Commission and as Chairman of the Securities Subcommittee I have already shown my confidence in him.

Sincerely,

A handwritten signature in cursive script, appearing to read "Don Riegle".

Donald W. Riegle, Jr.
Chairman