Letter from the Chairman

Dear Friends:

On behalf of the trustees of the Securities and Exchange Commission Historical Society, I am pleased to share with you the 2008 Annual Report, which includes the audited financial statements of the Society’s activities, as well as the list of donors to the Society in 2008.

As David Martin, Society President, reported in Highlights of 2008, this has been a year of significant achievements for the Society. Our virtual museum and archive at www.sechistorical.org attracted a 37% increase in visitors, accessing materials not only on the history of securities regulation from the 1930s to today, but also on future changes in the regulation of the financial markets.

Our commemoration of the upcoming 75th anniversary of the U.S. Securities and Exchange Commission, including both educational and celebratory events, has enabled us to extend our welcome to persons throughout the United States. We have enjoyed meeting many of you during our commemoration activities this year.

In the midst of the current financial crisis, the Society continues to thrive and grow, thanks in large part to the sustained generosity of the many institutions and individuals acknowledged in this Annual Report. My fellow trustees and I remain grateful for your participation and your support.

Sincerely,

Herbert F. Janick III
Chairman

Management’s Overview of the Year

The Securities and Exchange Commission (SEC) Historical Society is committed to fiscal responsibility in using the gifts and grants entrusted to us in fulfillment of our mission to preserve and share the history of securities regulation. The following information is to provide donors with information on how contributions were used during the January 1 – December 31, 2008 fiscal year.

Recording and Impact of 2009 Celebration Dinner Table Sales on 2008 Contributions

During 2008, the Society gave institutions and individuals the opportunity to make both a charitable contribution and purchase a table for the June 25, 2009 celebration dinner for the SEC’s 75th anniversary.

Individuals and institutions making charitable contributions are acknowledged among the list of donors to the Society in 2008. Table purchasers in 2008 are not listed in this Annual Report, but are acknowledged in Highlights of 2008. Revenue from table sales was kept in an account separate from gift and grant revenue during 2008.

The sale of tables for the celebration dinner during 2008 did not have a negative impact on gifts and grants; table sales provided an alternate or additional opportunity for individuals and institutions to support the work of the Society. The decline in gift and grant revenue during 2008 can be attributed to the financial crisis and subsequent recession which began in the fall.

Implementation of the Investment Policy

On March 19th, the Board of Trustees approved an investment policy for the SEC Historical Society, and empowered the Investment Committee – comprising the Treasurer, President and Chairman – to implement the policy.

On September 30th, the Treasurer established a “sweep account” of $340,000, which had been held in general and restricted money market accounts, to ensure SIPC coverage. The sweep account was invested in a U.S. Treasury money market account; funds can be accessed within a day’s notice in compliance with the Investment Policy. The checking account continues to maintain a balance at or under $100,000, and is FDIC insured.

Capitalization of Museum Accession

All funds used to build the collections of the virtual museum and archive in 2008 have been capitalized. These include fees to academic curators for the 2008 and 2009 Galleries and expansion of the Timeline; scanning and transcription of Papers; scanning of Photos and visual images; broadcast, digitization and transcription of Online Programs; interview, digitization and transcription of Oral Histories; and re-building of the Timeline.

For the years ended December 31, 2008 and 2007, these capital expenses totaled $132,415 and $151,535 respectively. As of December 31, 2008, the accumulated capital expenses incurred in building the virtual museum and archive totaled $639,440. These capital expenses are solely cost-based and are not reflective of fair value.

Allocation of On-Going Expenses for Commemoration Activities

During 2008, the SEC Historical Society staff recorded time spent in administration, development, the virtual museum and archive, and the commemoration of the SEC’s 75th anniversary. Allocation of the staff’s use of office space, supplies, telephone, copier and professional services was determined based on the percentage of staff time spent in each of these four areas. The Society did not hire additional staff or add overhead expenses specifically for the commemoration.

The allocation of on-going expenses for commemoration activities will continue through June 30, 2009. Starting July 1, 2009, these on-going expenses will not be reduced, but will be re-allocated to administration, development and the virtual museum and archive on an adjusted percentage basis.

Pre-Paid Expenses for Commemoration Activities Taking Place in 2009

The Society incurred expenses during fiscal year 2008 for commemoration activities which will take place in 2009. These expenses have been marked pre-paid, and have been separated from the fiscal year 2008 expenses.
Independent Auditors’ Report
To the Board of Trustees
Securities and Exchange
Commission Historical Society
Washington, D.C.

We have audited the accompanying statement of financial position of the Securities and Exchange Commission Historical Society (the Society) as of December 31, 2008, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Society’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization’s 2007 financial statements, and, in our report dated March 21, 2008, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31, 2008, and its change in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman
March 18, 2009

Financial Statements
Securities And Exchange Commission Historical Society
For The Year Ended December 31, 2008

Statement of Financial Position
as of December 31, 2008 with summarized financial information for 2007

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents, including $388,383 which is Board designated at December 31, 2008 (Note 8)</td>
<td>$756,054</td>
<td>$582,727</td>
</tr>
<tr>
<td>Investments (Note 4, 8, 9 and 10)</td>
<td>628,980</td>
<td>411,318</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>86,965</td>
<td>77,980</td>
</tr>
<tr>
<td>Total current assets</td>
<td>1,471,999</td>
<td>1,072,025</td>
</tr>
<tr>
<td>EQUIPMENT AND SOFTWARE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>23,339</td>
<td>23,339</td>
</tr>
<tr>
<td>Computer software</td>
<td>2,990</td>
<td>2,990</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>14,743</td>
<td>14,743</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td>(41,072)</td>
<td>(39,751)</td>
</tr>
<tr>
<td>Net equipment and software</td>
<td>—</td>
<td>1,321</td>
</tr>
<tr>
<td>OTHER ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virtual museum and archive collections (Note 6)</td>
<td>639,440</td>
<td>507,025</td>
</tr>
<tr>
<td>Donated artwork</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Security deposit (Note 5)</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Total other assets</td>
<td>671,440</td>
<td>539,025</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$2,143,439</td>
<td>$1,612,371</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS
CURRENT LIABILITIES
Accounts payable and accrued liabilities | $7,904 | $13,596 |

NET ASSETS
Unrestricted:
Undesignated | 239,067 | 513,244 |
Investment in virtual museum and archive collections (Note 6) | 639,440 | 507,025 |
Board designated reserve fund (Note 8) | 915,028 | 513,506 |
Total unrestricted net assets | 1,793,535 | 1,533,775 |
Temporarily restricted (Note 2) | 342,000 | 65,000 |
Total net assets | 2,135,535 | 1,598,775 |

TOTAL LIABILITIES AND NET ASSETS | $2,143,439 | $1,612,371 |
Statement of Activities and Change in Net Assets  
For the year ended December 31, 2008 with summarized financial information for 2007

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Temporarily Restricted</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 570,183</td>
<td>$ 418,600</td>
</tr>
<tr>
<td>Interest and investment income</td>
<td>37,994</td>
<td>—</td>
</tr>
<tr>
<td>Other income</td>
<td>30</td>
<td>—</td>
</tr>
<tr>
<td>Net assets released from donor restrictions (Note 3)</td>
<td>141,600</td>
<td>(141,600)</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>749,807</td>
<td>277,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EXPENSES</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virtual Museum</td>
<td>214,676</td>
<td>—</td>
<td>214,676</td>
<td>352,794</td>
</tr>
<tr>
<td>Commemoration</td>
<td>146,852</td>
<td>—</td>
<td>146,852</td>
<td>10,698</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>361,528</td>
<td>—</td>
<td>361,528</td>
<td>363,492</td>
</tr>
</tbody>
</table>

| Supporting Services: |      |      |       |       |
| General and Administrative | 26,063 | — | 26,063 | 52,106 |
| Development and Fundraising | 102,456 | — | 102,456 | 78,060 |
| **Total supporting services** | 128,519 | — | 128,519 | 130,166 |

| **Total expenses**   | 490,047 | — | 490,047 | 493,658 |

| **Change in net assets** | 259,760 | 277,000 | 536,760 | 292,509 |
| **Net assets at beginning of year** | 1,533,775 | 65,000 | 1,598,775 | 1,306,266 |

| **NET ASSETS AT END OF YEAR** | $ 1,793,535 | $ 342,000 | $ 2,135,535 | $ 1,598,775 |

Statement of Functional Expenses  
For the year ended December 31, 2008 with summarized financial information for 2007

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Virtual Museum</td>
<td>Commemoration</td>
</tr>
<tr>
<td><strong>Salaries</strong></td>
<td>$ 82,764</td>
<td>$ 43,799</td>
</tr>
<tr>
<td><strong>Benefits (Note 7)</strong></td>
<td>27,821</td>
<td>14,723</td>
</tr>
<tr>
<td><strong>Printing and production</strong></td>
<td>18,503</td>
<td>1,533</td>
</tr>
<tr>
<td><strong>Professional fees</strong></td>
<td>650</td>
<td>8,549</td>
</tr>
<tr>
<td><strong>Occupancy (Note 5)</strong></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Telephone</strong></td>
<td>8,073</td>
<td>1,169</td>
</tr>
<tr>
<td><strong>Travel</strong></td>
<td>6,480</td>
<td>—</td>
</tr>
<tr>
<td><strong>Postage and delivery</strong></td>
<td>2,938</td>
<td>875</td>
</tr>
<tr>
<td><strong>Repairs and maintenance</strong></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Supplies</strong></td>
<td>945</td>
<td>406</td>
</tr>
<tr>
<td><strong>Events and meetings</strong></td>
<td>—</td>
<td>1,351</td>
</tr>
<tr>
<td><strong>Museum maintenance</strong></td>
<td>1,454</td>
<td>—</td>
</tr>
<tr>
<td><strong>Research</strong></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>149,648</td>
<td>112,440</td>
</tr>
<tr>
<td><strong>Allocation of general and administrative</strong></td>
<td>65,028</td>
<td>34,412</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 214,676</td>
<td>$ 146,852</td>
</tr>
</tbody>
</table>
Statement of Cash Flows
For the year ended December 31, 2008 with summarized financial information for 2007

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 536,760</td>
<td>$ 292,509</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,321</td>
<td>3,986</td>
</tr>
<tr>
<td>Net appreciation of investments</td>
<td>(19,499)</td>
<td>(17,598)</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>—</td>
<td>30,335</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(8,985)</td>
<td>(22,190)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(5,696)</td>
<td>7,209</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>503,901</td>
<td>294,251</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES** |            |            |
| Purchase of investments         | (307,446)  | —          |
| Accession of virtual museum collections | (132,415) | (151,535) |
| Proceeds from maturity of investment | 109,287    | 102,188    |
| **Net cash used by investing activities** | (330,574)  | (49,347)   |

| Net increase in cash and cash equivalents | 173,327 | 244,904 |
| Cash and cash equivalents at beginning of year | 582,727 | 337,823 |

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$756,054</td>
<td>$582,727</td>
</tr>
</tbody>
</table>

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

The Securities and Exchange Commission Historical Society (the Society) is a 501(c)(3) nonprofit organization incorporated in the District of Columbia to preserve and share the history and historic records of the U.S. Securities and Exchange Commission and of the securities industry. Significant accounting policies followed by the Society are presented below.

The Society operated the following programs in 2008:

**Virtual Museum and Archive:** The virtual museum and archive at www.sechistorical.org preserves and shares the history of security regulation. The museum collections are primary materials, including papers; photos; oral histories interviews; educational programs; a timeline of securities developments against U.S. and world events; and galleries on securities history topics, linking together all related museum materials. The museum also provides links to other Web sites with related security history information. The museum is free and accessible worldwide at all times.

**Commemoration of the Securities and Exchange Commission’s 75th Anniversary:** The Board of Trustees approved activities beginning in 2007 to commemorate the upcoming 75th anniversary of the founding of the U.S. Securities and Exchange Commission on June 6, 1934. These activities, including educational programs and celebratory events, will continue through June 2009.

**Basis of presentation**
The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Statement of Financial Accounting Standards No. 117, “Financial Statements of Not-for-Profit Organizations.”

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Society’s financial statements for the year ended December 31, 2007, from which the summarized information was derived.

**Cash and cash equivalents**
The Society considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

At times during the year, the Society maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

**Investments**
Investments are recorded at market value. Unrealized gains and losses are included in investment income in the Statement of Activities and Change in Net Assets.
Risks and uncertainties
The Society invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Equipment and software
Equipment and software in excess of $1,500, which have been purchased, are stated at cost. Donated equipment and software are valued at its appraised value. Equipment and software are depreciated using the straight-line method. Provisions for depreciation and amortization are based on estimated useful lives of three years for software and web development costs, five years for computer equipment and seven years for all other equipment. The cost of maintenance and repairs is recorded as expenses are incurred.

Income taxes
The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Society is not a private foundation.

Net asset classification
The net assets are reported in two self-balancing groups as follows:

- Unrestricted net assets include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Society and include both internally designated and undesignated resources.

- Temporarily restricted net assets include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Society and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Contributions
Contributions are recorded as revenue when received from the donor. Donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. During 2008, Society staff maintained detailed timesheets and the Society allocated general and administrative expenses based upon the time reported under each functional area.

Fair value measurements
The Society adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 157, entitled Fair Value Measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Society accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. TEMPORARILY RESTRICTED NET ASSETS
Temporarily restricted net assets consisted of the following at December 31, 2008:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best of NERA 2009</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>2009 Securities and Exchange Commission</td>
<td></td>
</tr>
<tr>
<td>Regional Office Commemoration Events</td>
<td>15,000</td>
</tr>
<tr>
<td>June 25, 2009 Celebration Dinner</td>
<td>317,000</td>
</tr>
<tr>
<td></td>
<td>$342,000</td>
</tr>
</tbody>
</table>

3. NET ASSETS RELEASED FROM RESTRICTIONS
The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best of NERA 2008</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>2008 Securities and Exchange Commission</td>
<td></td>
</tr>
<tr>
<td>Regional Office Commemoration Events</td>
<td>15,000</td>
</tr>
<tr>
<td>2008 Fireside Chats</td>
<td>15,000</td>
</tr>
<tr>
<td>Timeline Expansion</td>
<td>25,000</td>
</tr>
<tr>
<td>Virtual Museum and Archives</td>
<td>76,600</td>
</tr>
<tr>
<td></td>
<td>$141,600</td>
</tr>
</tbody>
</table>
4. INVESTMENTS
Investments consisted of the following at December 31, 2008:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Notes</td>
<td>$600,979</td>
<td>$628,980</td>
</tr>
</tbody>
</table>

5. LEASE COMMITMENT
The Society entered into a 36-month lease that began on October 1, 2007 with a base rent of $4,521 per month. A security deposit in the amount of $7,000 was paid and recorded as an other asset. The office lease agreement contains an escalation clause in the base rent. It also requires the Society to pay a prorate share of operating expenses and any increase in real estate taxes and assessments over amounts stipulated in the lease agreement. Total rental expense for year ended December 31, 2008 was $54,795. Minimum future payments under the lease commitment are as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$56,986</td>
</tr>
<tr>
<td>2010</td>
<td>44,009</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$100,995</strong></td>
</tr>
</tbody>
</table>

6. VIRTUAL MUSEUM AND ARCHIVE COLLECTIONS
The Society has capitalized the collection of the virtual museum and archive since the museum's inception in June 2002.
On December 31, 2008, the museum collections totaled 3,031 primary materials, including 2,328 papers; 410 photos; 80 oral histories interviews; 50 educational programs; and 163 other materials, including securities developments in the timeline, gallery framework essays, and gallery video and audio clips. No materials were de-accessioned from the collections in 2008. For the years ended December 31, 2008 costs incurred in building the collections of the virtual museum and archive totaled $32,415. As of December 31, 2008, the accumulated costs incurred in building the virtual museum and archive totaled $639,440, which may not be reflective of fair value.

7. SAVINGS PLAN
The Society maintains a 403(b) Savings Plan (the Plan) for its employees. The Plan provides for employee contributions. The Society matches up to 100 percent of employee contributions. Employees are 100 percent vested upon entry into the Plan. For the year ended December 31, 2008, contributions to the Plan was $27,799.

8. BOARD DESIGNATED NET ASSETS
The Board of Trustees of the Society established a $500,000 endowment fund to assure continuation of the Society. The value of this fund at December 31, 2008 was $915,028. The fund is comprised of treasury notes totaling $326,645 and money funds totaling $388,383 included in investments and cash and cash equivalents, respectively, in the accompanying Statement of Financial Position.

9. JUNE 25, 2009 CELEBRATION DINNER
The Board of Trustees of the Society purchased a treasury note with a market value of $102,335 on December 31, 2008. The treasury note was purchased to assure payment of costs related to the Society’s June 25, 2009 celebration dinner honoring the 75th anniversary of the United States Securities and Exchange Commission. The note will mature on May 31, 2009 and is included in investments in the accompanying Statement of Financial Position.

10. FAIR VALUE MEASUREMENTS
In accordance with SFAS No. 157, the Society has categorized its financial instruments, based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Society has the ability to access.</td>
</tr>
<tr>
<td>2</td>
<td>These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.</td>
</tr>
<tr>
<td>3</td>
<td>These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.</td>
</tr>
</tbody>
</table>

The following financial assets at December 31, 2008 have been recorded on the statement of financial position in accordance with SFAS 157:

<table>
<thead>
<tr>
<th>ASSET CATEGORY</th>
<th>QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)</th>
<th>SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)</th>
<th>SIGNIFICANT UN OBSERVABLE INPUTS (LEVEL 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments - U.S.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury notes</td>
<td>$628,979</td>
<td>$628,979</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$628,979</strong></td>
<td><strong>$628,979</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>
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June 25, 2009 Celebration Dinner Table Sales
A list of institutions and individuals who purchased tables during 2008 for the June 25, 2009 celebration dinner honoring the 75th anniversary of the U.S. Securities and Exchange Commission is included in Highlights of 2008.

1979 swearing-in of John R. Evans (third from right) by Supreme Court Justice Warren Burger (third from left) to a second term on the SEC Commission. SEC Chairman Harold M. Williams (second from right) and Commissioners Roberta S. Karmel (far left), Philip A. Loomis, Jr. (second from left) and Irving M. Pollack (far right) were also present at the ceremony. (Courtesy of Roberta S. Karmel)
SEC Chairman Richard C. Breeden (center) with James Doty (far left), Barbara Greene (second from left), Michael Mann (far right) and Linda Quinn (second from right) in Red Square, Beijing in the early 1990s (photo courtesy of Michael Mann). This photo is linked to the virtual museum and archive’s “The Imperial SEC? – Foreign Policy and the Internationalization of the Securities Markets, 1934-1990” Gallery, which opened December 1, 2008.