

**Kenneth Israel Oral History Interview  
with Dr. Kenneth Durr  
September 2, 2021**

**Ken Durr:**

This is an interview with Kenneth Israel for the SEC Historical Society virtual museum, and archive of the history of financial regulation. Today is September 2, 2021, and I'm Kenneth Durr. Ken, thanks a lot for meeting with me today. I appreciate it.

**Ken Israel:**

Oh, no problem. I think this will be fun.

**Ken Durr:**

Well, let's set a baseline before we get into the fun and talk a little bit about how you started your career. Your undergrad was at Notre Dame?

**Ken Israel:**

Right.

**Ken Durr:**

What did you study there?

**Ken Israel:**

I studied, they called it government and international relations. So that was my major, and a minor in history, which left me wondering what to do after college. I decided to go to law school and got into George Washington Law School in DC and started there the following year.

**Ken Durr:**

Did you go to Washington on purpose, thinking you might end up in the government?

**Ken Israel:**

I was interested, even then I was interested in doing public service, and the thought of working for the government was something I had in the back of my mind. I had no idea what I was going to end up being interested in and so I thought there are government agencies for everything so that might be a possibility. That was part of the reason I went there. It was a good law school. I thought being in DC for a few years would be fun and so I decided to go to GW over a couple of other places.

**Ken Durr:**

Did you have any influential professors at GW? Anybody who turned you in the direction you eventually took?

**Ken Israel:**

Well, probably the most direct connection would be first year I had Ralph Ferrara for legal research in writing, and that can be a pretty dry subject. But Ralph made it very interesting and had all of us working much harder than we ever expected to be working in a two-credit course. Anyway, that was part of it. He also had connections to the SEC, spoke highly of the SEC, and his enthusiasm for the agency and doing securities work just came through. I believe the year after I took his course, he started an internship with the SEC Division of Enforcement, which was at that time quite new, and so I signed up for that. I thought this would be a good way to learn some securities law, actually, get a feel for what it was like working for a government agency and so I signed up for it. I was one of maybe four or five GW students who did. The following year I started working in the Division of Enforcement as an intern.

**Ken Durr:**

What was your impression of the Commission as a young intern? This would have been sometime in the mid-'70s.

**Ken Israel:**

It would have been probably '72, '73. I thought it was quite interesting. I mean, here I am. I'm a law student getting thrown into helping out on fraud cases, securities fraud cases, which was pretty exciting. I also found that the people I was working for were very approachable. That was primarily Wally Timmeny, Dave Doherty, and even some of the senior people in the division. The first day we went in our little group instead of just reporting to, say, a branch chief, we had a little meeting with Irv Pollock and Stanley Sporkin, and they went over what they expected of us, what we were doing, and then we got assigned out to different branches. That was pretty impressive. The senior people in the division would meet with lowly law students.

**Ken Durr:**

Did you take securities law after that?

**Ken Israel:**

I never did. I figured I probably learned more interning at the SEC for a year than I would have in any course I took. I did take a course called business planning, which was a very small seminar-type course, and that got into a lot of securities. That was probably the other course that would have been influential and that was taught by H.P. Green, Harold P. Green, who was a long-time GW professor.

**Ken Durr:**

You didn't get any more classes with Ralph Ferrara?

**Ken Israel:**

I think that was the only class he taught at GW was the legal research class, and then he went on to bigger and better things.

**Ken Durr:**

So they throw the first-year students at Ralph Ferrara and see how they stand up, I guess.

**Ken Israel:**

Well, Ralph was one of two or three legal research professors, and we got thrown in there. I was lucky to get him as opposed to maybe some of the others.

**Ken Durr:**

Did the legal intern program give you a leg up, pretty much a sure thing, that you're going to get in a full-time position in the Commission?

**Ken Israel:**

No, because by the time I graduated, there was a full-blown recession going on. Hiring was very tight. I actually had a job coming out of law school, doing environmental work for a state agency, but then, their funding fell through, again because of the recession. I went ahead and took the bar exam and kept looking and I kept approaching the Commission. And then I got a call from Bill Weeden, who was the assistant director in the Division of Corporate Regulation, which no longer exists, but they were looking for somebody to do '35 Act work. I had never heard of the '35 Act. I bet a lot of people probably have never heard of it at this point.

**Ken Israel:**

I went in for an interview one day. I think I got an offer a day or two later, and started within two weeks, so that was how it happened. I never did get a straight answer, but I believe it may have been one of those situations where they had the funding. They needed to fill a slot, and I was there. I was more or less a known quantity because I had worked in enforcement, and I assume they talked to probably Dave Doherty, got a good recommendation, and that was it.

**Ken Durr:**

The public utility holding company stuff. At one time it was a big deal.

**Ken Israel:**

At one time it was a huge deal.

**Ken Durr:**

I'm guessing not so much by the time you got there.

**Ken Israel:**

No. It had been passed in '35, I think, to correct one of the main causes of the stock market crash and the Great Depression, which were these huge holding company complexes, layer and layer and layer of holding companies controlled by a very small amount of stock at the top. They ultimately controlled a very large percentage of the utility companies in the US. This all came crashing down as part of the stock market crash, and then this was one of the last major pieces of securities legislation. There was the '35 Act and then there were a couple of statutes, the Investment Company Act and the Investment Advisers Act in 1940. During the 40s and even up

into the 50s it was probably the largest division in the Commission. Randomly, I went back and looked at an annual report in the last couple of days, I think from 1950, and there were maybe four or five pages devoted to enforcement activities and 60 pages devoted to holding company act cases.

**Ken Israel:**

It was basically breaking up these huge holding companies. So by the time I got there, there were, I don't know, maybe a dozen left, and they were required to get Commission approval for almost any financing they did. Even bank borrowings, large leases, that kind of thing, and most of which would not have been covered under the '33 Act.

**Ken Durr:**

Was your job to scrutinize the corporate structure for these, now handful of companies?

**Ken Israel:**

We had to review the financing proposals. They would make an application. Usually, they would come in and have a meeting with us first to make sure this was something we would go along with. They would bring—there would be attorneys, investment, bankers, accountants. They would explain how this fit into their financial structure and if it was okay with us. Or if we wanted to make some adjustments they would make the adjustments, and then they would make an application for approval. We would approve it usually by delegated authority, and then they would go ahead and do the financing. Some of that overlapped with '33 Act filings, like if they wanted to make a stock offering or a bond offering, those might be required to be registered with the Commission.

**Ken Durr:**

Chapter X stuff too, as well. Right?

**Ken Israel:**

You mean under the Bankruptcy Act? Yes, that was a separate group. I was doing '35 Act work, but under Corp Reg there was also a group that did the Commission's comments on certain bankruptcies, but I was not part of that group.

**Ken Durr:**

Did you work with Aaron Levy? He'd been around for quite some time, I think.

**Ken Israel:**

There were several people there who had been around for quite some time. I did work with Aaron, and he was the division director when I started, but there were a couple of other people who had been around since the 1940s. A couple of them could even remember, had worked with the Commission when it was located in Philadelphia during the war, which was interesting. They had a lot of good stories, and I still remember some of them, but it gave me a sense of the history of the Commission. Probably more than a lot of people would have had just because these people

have been—I started in 75. These people had been there, some of them since the early 40s, which is only years after the Commission was founded. They gave me a sense of continuity, I think.

**Ken Durr:**

The theme of these Philadelphia stories, what was the overriding tone there?

**Ken Israel:**

Well, I think it was a much smaller agency than even than it was when I started. When I started, it was much smaller than, of course, it is now. But there were stories about, at one point, Abe Fortas was the division director for Corp Reg. They talked about meeting some of these major figures from the 20s and 30s. I was a history minor so that was pretty interesting. This was before any of us had desktop computers or laptops computers or anything. I remember in the office were rows of file cabinets full of old memos and documents that came from those early days that were quite interesting. Sometimes on occasion, I had to go dig them out, and that's another thing that took me back to the early days.

**Ken Durr:**

You talked about the fact that operations are shrinking a good bit at this point. Was there a sense that at some point, Corporate Regulation was going to get phased out?

**Ken Israel:**

I think some of us felt that. The big holding companies I worked with, The Southern Company and Middle South Utilities, were in a position where they could basically if they wanted to reorganize their way out of the '35 Act, they just had to eliminate the holding company structure. Eventually, after I left, some of them did that. I can't remember when the act was actually repealed, but it was at some point after I had moved out to the regions.

**Ken Durr:**

Let's talk about that. It's a big step to move from reviewing public utility holding companies to going out to Denver. What took you out there?

**Ken Israel:**

Well, part of it was personal in that my wife worked for a company that had just opened a Denver office. They were looking for people to go there, and we thought, well, Denver sounds like a good place to live. Plus, after a few years of reviewing public utility filings I was ready to move on to something else. And so, my wife got her transfer, and I had started looking for positions out there. The first place I checked was the Denver Regional Office, but at the time, they didn't have any openings. And then, eventually, they did have an opening. I went out and interviewed with Bob Davenport and several other people in the office. I was again hired in a few days and then moved out to Denver.

**Ken Durr:**

So, tell me about Bob Davenport. He's legendary around the regional office history that I've been studying.

**Ken Israel:**

He is. He was a true Kentucky gentleman. I mean, his accent was very thick, as people who can watch it or listen to his interview will be able to tell, but he was a great guy. I loved working for him. He didn't put a tight rein on the staff. We obviously had to report up to him and let him know what was going on. We had pretty much weekly meetings, but we were allowed to go ahead and run our cases as we saw fit, and then check in with supervisors, other people in the office who might have expertise in a particular area, to go on the right path. Conduct the investigation, decide what charges to bring, if charges were to be brought. I give him a lot of credit for allowing the staff to operate with modicum of supervision but not a heavy hand.

**Ken Durr:**

It would seem that you probably drew on that internship a lot because you're suddenly back here and enforcement after a period of looking at filings. How hard was it to get up to speed and doing that kind of work?

**Ken Israel:**

Well, it didn't take long because I think a week or two after I moved out to Denver, there was a big transfer agency, First Independent Stock Transfer Agency, that basically imploded because the owner of it had been running it into the ground. At one point, I believe he jumped or was pushed out of a 10th-floor balcony window. And then the police, of course, were investigating and found a trunk full of stock certificates in his car. They called the SEC, and we went in. I was not on the litigation, but we went in and got a temporary restraining order, the appointment of a receiver. I remember a week after going over public utility financings, I was in the basement of a penny stock transfer agency, helping the new receiver sort out boxes of stock certificates. I didn't have much time to move in gradually. Got thrown in right away.

**Ken Durr:**

You talk about penny stocks, and I want to touch on some of the Denver folklore, the reputation of the office, and the kind of work that Denver was known for.

**Ken Israel:**

Well, and I think the Denver office and Salt Lake at that time were among the epicenters of the penny stock, microcap stock fraud. Miami and New York also played into that quite a bit. In Denver and Salt Lake, it was a much higher percentage of the cases that we looked at. Sometime in early 1982, and I can't remember the cause of it, but the markets turned down on these stocks. A bunch of these broker-dealers in Denver, which were dealing exclusively in penny stocks, started having financial problems. Then Bob Davenport, along with, I believe Jim Clarkson, who was the director of regional office operations back in Washington, got us together with the NASD. We had this task force that went in and looked at a whole bunch of different brokers simultaneously and found that a good number of them were in violation of the Net Capital Rules and therefore, should be put out of business. And then of course once we brought a TRO against them on the net capital grounds and went in, we usually found a decent amount of fraud involved too.

**Ken Israel:**

That led to further fraud cases. I worked on a couple of those to start with, and then the big one I ended up on was the OTCnet case, which was one of probably the two biggest cases along with Blinder Robinson that came out of Denver in the microcap era.

**Ken Durr:**

I want to talk about those, but first, I want to get a little bit more background. Is it the heritage in the mining industry and the fact that there are stocks all over the place, penny stocks all over the place? Is that the premise for the development of this penny stock market, or what was it?

**Ken Israel:**

They weren't necessarily all mining stocks. I think the stocks themselves could be almost anything, although there were a good number of mining, oil, and gas stocks. I think the mining side of it may have been a little more prevalent in Salt Lake because the Salt Lake office was founded, basically, because there were so many frauds in connection with the uranium boom in the early 1950s. I think the main profit center for promoters back then was not mining uranium. It was doing stock deals. That's when the Salt Lake office was founded as a branch of Denver. As I recall, we had a whole variety of stocks that were involved in the cases I worked on, so it wasn't necessarily mining, or oil and gas.

**Ken Durr:**

One of the day-to-day pieces that falls in here is the Reg A exemption. Were you still doing those in the regional offices?

**Ken Israel:**

I didn't really work directly in that area. We had a small branch of what we called small offerings. Mainly they were doing S18 offerings at that point. I think the S18 had pretty much supplanted the Reg A offering just because it was basically as easy to do an S18 as it was a Reg A, and it didn't have some of the restrictions on that a Reg A would have. My recollection is that there were only a handful of Reg A filings every year, but there were tons of S18 filings.

**Ken Durr:**

One gave way to the other, I guess. I know Bob Davenport said that Reg A was a license to defraud.

**Ken Israel:**

Well, I'm not sure it was any more license to defraud than a lot of other things, but anyway. It didn't make sense to do a Reg A when you could do it S18.

**Ken Durr:**

Let's move into some of those landmark cases you were talking about, the OTCnet case.

**Ken Israel:**

I came in at the end of the investigation on that one. I remember being recruited to go down and take testimony in Atlanta and St. Petersburg from a couple of brokers down there who were involved with doing trades with OTCnet. And then shortly after that, the case was filed. I continued to work on it through the initial litigation. And then, due to the fact that the staff who had been primarily involved in the investigation had either left the Commission or moved into other areas—the guy who had been primarily working on it moved over to the regulation side. It ended up primarily being Don Hoerl and myself doing the litigation on it, doing all the discovery and subsequent litigation.

**Ken Durr:**

What made that case important other than just the scope of it?

**Ken Israel:**

Well, the scope of it was a big thing. I think it had a lot of interest because the scam that they came up with—this was a fairly large broker-dealer for Denver. I think it was the second largest after Blinder Robinson. What they did was do underwritings and then sell a significant part of the underwriting to this entity in Switzerland that the control people of OTCnet had set up for themselves and that they control, called OTCnet S.A. When they decided to do an offering, what they would do—and this was a time when offerings routinely went up in the aftermarket. So say you sell the initial offering at a dollar. It would almost immediately go up to several dollars in the aftermarket and the people who had bought at a dollar of course would sell out.

**Ken Israel:**

The interesting thing about the OTCnet case was that the principals of the firm had set it up so that they would be the ones selling out. And they would manipulate the price of the stock. Part of it being they told investors who wanted an allocation of the IPO that they also had to agree to buy stock in the aftermarket at an undisclosed price. And so you had a built-in demand in the aftermarket and the owners would sell their stock out of OTCnet S.A. into the market, reaping 500 percent profit on it. So that was fairly unusual I think for that time.

**Ken Durr:**

Okay.

**Ken Israel:**

They were ahead of their time I guess I would say.

**Ken Durr:**

Blinder Robinson was certainly—they got head headlines all over the place when that case was going on. Give me a thumbnail of that one.

**Ken Israel:**

It was similar to OTCnet, I think. They didn't have the international aspect to it, but it was a bigger firm. I think Meyer Blinder himself, I did not work on the case, but Meyer blinder himself



was a larger-than-life personality. And I think that was a big, big part of the notoriety of it. Plus the size of the firm, the fact they had offices at a number of locations around the country, and did more offerings than OTCnet did, but a lot of it was just Blinder's personality, I think.

**Ken Durr:**

Yes, probably. Any other highlights from the Denver days that we should touch on?

**Ken Israel:**

Oh, highlights. I would say probably not that I can really talk about. There was one case I investigated that was a tremendously interesting case, but we ended up not bringing it. So, I would say the big thing was there was a steady diet of microcap, small issue type cases. There were a number of mining cases that I worked on and a couple of other sorts of interesting ones, but a lot of my time quite frankly, was consumed with OTCnet.

**Ken Durr:**

Okay.

**Ken Israel:**

And that's where Don Hoerl and I got to be good friends.

**Ken Durr:**

Okay. And that takes us into the next chapter when you and Don Hoerl both go to Salt Lake. Right?

**Ken Israel:**

Right. So Salt Lake had been a branch of the Denver office and was quite a bit smaller. I think at that point Denver had maybe 50 employees, Salt Lake was probably about 10 at that point. And Salt Lake, quite frankly, had been sort of a sleepy office. So even though there were good people there I think the senior management had been there a long time and it just wasn't as productive as it could have been. At any event, a significant personnel issue came up in the office and resulted in one person being fired, the head of the office resigning. And so Bob was looking for new management to go in, approached Don to go, Don agreed. Don asked me if I would be interested in going and as it happened, I was.

**Ken Israel:**

And so in part for personal reasons, because my wife's job was... The company she had moved to Denver for decided to close its Denver office and relocate everybody to either Salt Lake or Seattle. Anyway it worked out for us as well. And so anyway, Don and I went over in '87 and we started trying to revitalize the office. And like I said, there were good people in the office already. It was just small. And we had to learn a new city, which was sort of different in a lot of ways in terms of the way the securities markets worked.

**Ken Durr:**

How so?

**Ken Israel:**

Because it was, I think, so small. And even though there was a lot of securities stuff going on there, that was still a relic from the uranium boom and there had been all those scams, stock frauds during the days of the uranium boom. And so the infrastructure for doing microcap fraud was still there. And by that, I mean that you still had promoters there, you had transfer agents, you had attorneys and accountants who were willing to work with these people, you had a group of broker dealers who were willing to trade these stocks. A microcap fraud is not necessarily a simple thing to put together. There are a lot of moving parts to it. And Salt Lake had all the infrastructure to do those.

**Ken Israel:**

So we had to learn the players and that took some time. And then there were ongoing in cases that had to be worked. We were looking for new cases, we hired a couple new people and then everything changed in 1988, the next year, because we were approached by the FBI because they were going to start an undercover operation in Salt Lake directed at the penny stock industry.

**Ken Israel:**

We were approached by the FBI in the U.S. Attorney's Office to provide expertise to them in terms of framing charges, what elements had to be met to bring a charge—which were basically the same for a civil or criminal case—what we knew about different players and a whole variety of other things. I recall having a meeting at a local Salt Lake City hotel with the U.S. Attorney's Office, ourselves, FBI, and I can't remember if we met the undercover agent there, at that time. He was terrific, the guy was phenomenal.

**Ken Israel:**

So anyway, we sat down, hashed out how they would go about this, what our role would be, what ideas they had, whether we thought any of this was problematic. And I don't remember the details of the conversation that much, but it was decided that we would go to the Commission, see if we could work with the FBI on this. And so that's what happened. And I can't remember, Bob Davenport may have come over for the meeting as well, I don't remember. But that led to sort of an explosion of penny stock cases for the Salt Lake Office.

**Ken Durr:**

So they weren't going after one company in particular, they were going after a number? Or how did that work?

**Ken Israel:**

No, they were going after everybody they could get, trying to put a comprehensive case together against a bunch of players and ultimately it was more than one case. It was several different penny stock promoters. Each had their transfer agents they used. Each had their own brokers they used, attorneys, accountants. So it was quite interesting. But anyway, the FBI actually set up a company that they let it be known wanted to go public. The word got out and they started meeting with different promoters and the promoters would explain how they would take the company public. And the FBI agent's goal was to get them to "talk dirty," which they did. And this was all done on videotape.

**Ken Israel:**

So it was quite the experience, because we could watch the tapes and because the US Attorney and the FBI wanted to know if we thought that they had enough to charge different players in the scheme. I remember one of my favorite ones was they brought in the trader who was going to actually list their stock in the pink sheets and then manipulate the price. And he actually drew out on one of those flip pieces of paper how he was going to manipulate the price.

**Ken Durr:**

Very helpful.

**Ken Israel:**

It was very helpful. Yes. It was sort of an eye opener for us in some ways. I mean we knew this was going on, but to actually see people and hear them talk about was just great.

**Ken Durr:**

Did headquarters get involved in this at all?

**Ken Israel:**

Yes. So obviously there was some concern that—and this was actually before the undercover agent opened for business. The big concern was that investors would be defrauded by an FBI operated scam. So there was a lot of talk about how the cases would be structured and the investigation would be structured so that the US Attorney and the FBI would get everything they needed to bring a case against all the different participants, but not put investors at risk. Or minimize the risk anyway.

**Ken Israel:**

And so obviously this was something above our pay grade and it was above Gary Lynch's pay grade. So we actually took it to the Commission in a meeting that was done in an executive session, which means basically only a very small number of people are there at the meeting. Commission okayed it, and so we went ahead. I believe this was the first time the SEC had ever actually participated, at least to this extent, in an undercover operation. So there was a lot of concern about it basically,

**Ken Durr:**

But it worked out the way that the FBI wanted it to, I guess, in that they got the goods.

**Ken Israel:**

They did. So, to get a 10(b) charge against them there had to be at least one transaction in the securities of this company. And what we ultimately decided to do—they went through everything they needed to get. They got the attorney to write an opinion letter saying the stock was freely tradable. This is probably a wrinkle that you may have heard you may not have: the first one we did involved a guy named Jerry Timothy, and signature part of the fraud was that he formed companies that he claimed had been incorporated prior to 1933, before the enactment of the securities laws. And in the Securities Act, there was an exemption, section 3(a)(1)—I still

remember this—which has since been repealed, for companies that had been incorporated before 1933 they didn't have to register their security.

**Ken Israel:**

So Jerry Timothy jumped on this, and he went to—this being Salt Lake, he went to the LDS Church genealogical library, dug up the names of over a hundred people for each company that were probably alive in the era the company was incorporated prior to 1933. Or where it was doing its operations. There were also some quirks in Utah state law and Delaware state law, where all these companies were incorporated, that made it easier to do all this.

**Ken Durr:**

Is this the shell company case?

**Ken Israel:**

Yes. These are all shell companies.

**Ken Durr:**

Okay.

**Ken Israel:**

Basically they would put the shell companies together, look for a merger partner and then take the company public, take it public sort of illegally. And then it would be traded, and the promoters would have a public company on their hands. So anyway, the FBI bought one of these shells.

**Ken Israel:**

So we went through this whole process. The FBI talked to everybody involved including Jerry Timothy, his wife who ran a transfer agent, conveniently. The attorney who was writing the opinion letter, the accountant who was dummifying up financials for the company and the trader who was going to list it and then run the stock manipulation. And so the first trade was done so we could get a 10(b) charge. So there was actually a purchase of sale of a security. And then our office brought a trading suspension, but we didn't want to just suspend trading in that one stock because the FBI wanted to keep working this undercover operation. So we picked up 46 companies that allegedly had been incorporated prior to 1933, all of which Jerry Timothy was behind. Suspended trading in all of them at one time, which I believe, again, was the SEC's first mass trading suspension ever.

**Ken Israel:**

Since you were suspending trading, that eliminated the risk of innocent investors being left holding the bag on some stock. And then from there, the U.S. Attorney's office put together cases on all the players in these. We brought civil and administrative cases against them, brought 2(e) proceedings against the attorneys and accountants to bar them from practice before the Commission. And so that's how that one went down.

**Ken Israel:**

Then there was another group in Salt Lake that was doing a similar scam. But their calling card was to do supposedly intra state offerings in Utah. And then after which the stock could be freely traded elsewhere. So it was basically a similar thing. Again, the undercover agent met with all these people involved in that side of it. And we did basically the same thing, again. Another mass trading suspension to stop trading in the stocks. We had so many cases out of those that it was phenomenal.

**Ken Durr:**

Yes. That must have been a big bubble for the Salt Lake City office.

**Ken Israel:**

It was, and it was basically non-stop excitement for years.

**Ken Durr:**

How long really? Like a couple years or?

**Ken Israel:**

Just bringing all the cases, a couple years yes. I think so.

**Ken Durr:**

You said something interesting a little while ago, that it was beyond your job description once the FBI comes in with the undercover and all that stuff, and it was beyond Gary Lynch's job description. You were the Branch Chief for Enforcement, is that right? Was that your title?

**Ken Israel:**

Right. Yes.

**Ken Durr:**

So you were working for Don Hoerl but you were also working for Gary Lynch.

**Ken Israel:**

Well, it wasn't... The chain of command went up from me to Don, then Bob Davenport, to Gary Lynch, who was the director of enforcement at that time for enforcement cases. Although at that time the organizational structure had the regional offices, which would be Denver, but not Salt Lake since Salt Lake was a branch reporting directly to the Chairman. So theoretically a regional office could take a case directly to the Commission if they wanted to. In practice, I'm not aware of that ever happening. Cases always went up through the Division of Enforcement.

**Ken Durr:**

Okay.

**Ken Israel:**

And there was a mechanism or a protocol for doing that. There was a group in the Division of Enforcement called at various times, the Branch of the Regional Office Assistance, and then later the Office of Chief Counsel but it was the same group. And even the Branch of Regional Office Assistance was underneath the Chief Counsel of Enforcement.

**Ken Israel:**

So basically if we wanted to bring a case in Salt Lake first of all, we would run it by Bob Davenport. Then from there we would, if Bob was okay with it, we would send in the recommendation to what became the Office of Chief Counsel. They would review the recommendation. They would send it out to any relevant divisions, like say Corp Fin or Investment Management, Office of General Counsel reviewed all recommendations as well. So the Office of Chief Counsel of Enforcement would sort of coordinate all that then get comments back to us on the recommendation, which we would usually just go ahead and make those changes that were requested.

**Ken Israel:**

Sometimes we would argue back and forth a little bit and work it out. But usually we just accepted the changes that the other divisions wanted, mainly because they knew a lot more about a lot of the details than we did. Corp Fin knew more about registration work than we did. Certainly Investment Management knew more about '40 Act stuff, Market Reg knew more about broker dealers than we did. So we would just pretty much accept their comments and then it would go up to the Commission for their consideration.

**Ken Durr:**

Okay. So the Branch of Regional Office Assistance then for example, you really did see that as Assistance?

**Ken Israel:**

For the most part, yes. I can't say there weren't times I wasn't tearing my hair out, but yes, for the most part they were. They helped make a better product, better recommendation, which ultimately led to better cases that we brought. So I think overall it was a very good thing. I know some regional offices had more difficulty with the process than we did, our goal was to bring the cases and if that helped us bring them and bring better cases, then that was all to the good.

**Ken Durr:**

Speaking of help under this old system. I think you mentioned Jim Clarkson and I'd like to talk a little bit more about him because he's kind of like the lifeline between the regions and headquarters in some respects.

**Ken Israel:**

Especially on the administrative side, but also on substantive things. Enforcement or exam related issues, sometimes he would step in there. Jim was just terrific. I can't say enough about the work he did to help the regional offices in terms of any number of ways, getting resources for

us, sometimes smoothing over issues between the regional offices and home offices and also facilitating communications, I think, among the regional offices. Because he would periodically bring in the office heads to DC by the time I was in that position. And we would meet among ourselves, talk about the issues each of us was having, see where there were commonalities. And then we would also meet with division directors, and they would sort of give us an idea of where they thought things were going, where we could improve, what to look for coming down the road from them, what issues they saw coming up. We would also sometimes meet with the Chairman or some of the other Commissioners when we were back there. So, I always thought those meetings were quite useful and we want to facilitate it all that.

**Ken Durr:**

Okay. Were these the week-long meetings that were held annually?

**Ken Israel:**

No, these were just regional office heads coming back. There was what was called the Chief Enforcement Attorneys conference every year. That tended to be closer to a weeklong. And then there was a similar conference for the exam program.

**Ken Durr:**

Okay. Was Clarkson affective because he was plugged into the Chairman's office or what was it about his, his position that made him able to, to grease the wheels, so to speak?

**Ken Israel:**

Well, he was plugged in to everybody's office back there. He knew everybody. He was totally on top of issues affecting the Commission as a whole. And he had an amazing way of relating to people and trying to optimize. He was working to help the regional offices, but he was also helping to facilitate the Commission's work. He was terrific at relating to people. And I remember a couple instances where arguments would arise, especially between some of the regional office heads and executive directors. And Jim had a way of just smoothing things out and making sure nothing came to blows. But I just can't say enough about, about Jim. He was terrific.

**Ken Durr:**

So you're describing a period just running right up to the 1993 reorganization of the regional offices. Everything I guess, becomes districts and the chain of command changes. Tell me a little bit about how that affected you.

**Ken Israel:**

Okay. That was just when I became the head of the Salt Lake office, right at that time. And what happened was that—and I'm not sure of the rationale behind the reorganization, although some of what I have gleaned is that the Chairman wanted to sort of reduce the number of direct reports to him. And so what he did was... and he also wanted to create bigger entities in the region with the idea that, say a combined Denver, Salt Lake, Fort Worth office would have more resources and that the resources could be shifted among the offices to handles certain cases, certain exam

priorities. The idea would be that staff from one office would help out the other office if there was a particularly big problem in that office. Ultimately, I don't think it really worked out that way, but he did change the reporting lines as well, so that the regional directors no longer reported to him, they reported to enforcement primarily, and also to the exam program on exam issues.

**Ken Durr:**

Right.

**Ken Israel:**

So those are the two main reasons I think, for the reorganizations. There were only a couple of branch offices before the reorganization, maybe two or three. I think Miami was a branch of Atlanta. There was a Houston branch office at some point, although I can't remember exactly when that went away. San Francisco was a branch of LA, and we were a branch of Denver. I think that was it going into the reorganization. Then after that you had New York over Boston and Philadelphia, Chicago was still its own region, no branches. The Central Region became—it was Denver, Fort Worth, Salt Lake. The west coast became... It was a LA over San Francisco and Seattle, and Atlanta was over the Miami office.

**Ken Durr:**

All these regional offices had their own types of cases they'd done and their own history and their own folklore. Did this reorganization mess that up to some extent? Fort Worth, for example, was its own kind of bastion for all these years.

**Ken Israel:**

Yes, it was. And I think there was a lot of tension, at least for a while, between Denver and Fort Worth. It really didn't affect us much in Salt Lake because we had always been part of Denver and we continued to be part of Denver. And I think there was also a lot of, well, I know that Boston and Philadelphia were not too thrilled with having to report to New York first and I imagine that it was the same thing on the West Coast as well.

**Ken Durr:**

The last little bit of—this kind of nuts-and-bolts stuff is really useful by the way, I don't get it a lot. The last piece the puzzle is, a couple of years later OCIE is formed and so the enforcement side is reporting up the chain to Enforcement and OCIE, you've got now a national entity that's looking at your exam program.

**Ken Israel:**

Well, you always did, to some extent in that the exam program—the broker dealer exam program went to a Market Reg and the '40 Act Exam Program went to Investment Management. There was always some reporting that way. I think the formation of OCIE consolidated that. And again, the idea was, I believe, to sort of put all the examiners in one basket so that if need be, examination resources could be shifted more easily between '34 Act and '40 Act programs. That was my understanding for that change.



**Ken Durr:**

Did, did OCIE make a difference when it came to the exam capabilities as the years went by?

**Ken Israel:**

I don't really think so, because I think the examination skill sets of the '34 and '40 Act examiners were different enough that it was hard to switch resources back and forth between the two programs, as much as I think the original thought had been.

**Ken Durr:**

Okay.

**Ken Israel:**

Both programs still had more than enough work to do. The investment advisors were only getting examined, I think on an average, once every 20 years. Investment companies more, much more frequently, broker dealers once every few years. It wasn't really enough, neither program had enough resources to take care of what they needed to do. And so you couldn't move examiners from one to the other without making the resource problem even worse on that side. So I didn't see a lot of difference.

**Ken Durr:**

Okay. Let's, let's take it back to the period at the beginning of your leadership. You'd gone through this, this big couple three years of, of sounds like a pretty turbulent time where you're kind of laying down the law. Had the landscape changed considerably by '93, '94 when you came in?

**Ken Israel:**

Well, it was sort of a continuum for me. There was still a lot of fraud going on. A lot of it was changing because of technology. When you had the internet coming in, fraud started migrating in part to the internet-based frauds. We also started seeing a lot of promotional newsletters. Again, I think that was because suddenly you had this medium, the internet, that allowed promoters to reach tons of people at a much lower cost than had previously been possible. I mean, in the pre-internet days, in order to market a stock you had to set up a boiler room where people were cold called. So you needed scads of brokers making cold calls, doing over the phone sales, trying to convince people to buy into the stock or stocks.

**Ken Israel:**

It was a lot more expensive. There's a lot more overhead involved. So the scams had to be bigger, I think, just to make up for the overhead that you had. So after, say, the OTCnet, Blinder Robinson cases you started having, initially, big cases out of New York. Long Island just became a hot bed for boiler rooms. There were a lot of them in Miami too. Some of them had moved overseas. We had a couple, I think out of Salt Lake, we had three cases that involved overseas boiler rooms, and sometimes hundreds of millions of dollars involved, but it's all very expensive. When the internet came in there, promotions could be conducted over the internet. So you didn't need a lot of people. Your overhead went way down.

**Ken Israel:**

You could do a lot more small deals rather than a few bigger ones. So we saw a migration of fraud from the old-style boiler rooms to more internet-based frauds and one of the first manifestations of that was newsletters that promoted microcap stocks. And I know we had these... typically we brought cases on those under Section 17(b) of the Securities Act which basically prohibited fraud and those kinds of situations, and then again, under 17(a)1 and 17 and 10(b) of the Exchange Act.

**Ken Durr:**

So, did it become more challenging because these great big scams are breaking up into smaller scams?

**Ken Israel:**

In some ways, yes. In some ways it made it easier because everything was in writing, all on the internet and so the misrepresentations are out there. We had to prove, still, that there were misrepresentations, that there was market manipulation or whatever, but at least the main misrepresentations were just out there in print. So that made it easier. 17(b) was sort of a shortcut to stop some of these newsletters. In some ways it was easier, in some ways it was—there were more scams, but they were smaller in scale typically, and it, some of the proof was easier.

**Ken Durr:**

You still had some big cases coming through though in going into the 2000s—that period. Can we talk about some of those and the Salt Lake background again, and how Salt Lake was hospitable to this kind of thing?

**Ken Israel:**

Well, again, part of it is the infrastructure was still there for these kinds of frauds, although it was gradually spreading out. Once you got into the internet-based scams, you could run the scams from anywhere. And so we brought, I can't remember how many of those kinds of cases we brought, but there were quite a few and everybody, all the offices will bring them. to be honest. It wasn't just us. It wasn't just a number. It was a lot of offices. So, one thing I actually—I should've mentioned this when we were talking about Bob Davenport, but one thing I learned from him was he was fond of saying, when you're looking at a case to bring as long as there's fraud, everybody's against fraud. So there will be support for those kinds of cases.

**Ken Durr:**

Let's talk about some specific ones, some things that came across my radar, a Utah 529 plan executive, you went after the state official?

**Ken Israel:**

That was a very unusual case and yes, we did go after state official. The case was actually brought to us by the Utah state auditor. They had done an audit of Utah's 529 plan and found that because of lags between the time trades were executed—529 plans are educational savings plans. And they're designed to allow basically parents or grandparents to save money for their

children's or grandchildren's education. And the way the Utah plan was set up, which I think is pretty similar to virtually all the others, is that investors put in money, usually a certain amount every month, they have options as to where the money is invested.

**Ken Israel:**

And then the plan takes the money and allocates it to their accounts, does the investments and then whenever there are profits or losses they're allocated to the investor's account. So in the Utah case, though, there was a lag between the time the money came in and was allocated to the client account and when it was actually invested. It is usually one to three days, but because there were large amounts of money involved, obviously... I'm trying to work through this scandal. They... the markets in this time were generally rising.

**Ken Israel:**

There were unallocated profits that went to the fund but weren't allocated to the investor accounts. Well, the administrator of the plan, guy named Dale Hatch, realized this was going on and he set up a bunch of accounts on his own, but he allocated this difference caused by the lag time and investment to his own accounts and it was about a half million dollars. While the state auditor had picked up on this and brought it to us and so we looked at it had many conversations with the Division of Enforcement, Investment Management, as you can imagine... obviously we didn't want to accuse the State of Utah agency of fraud, because there would be all kinds of repercussions from that. So, we ultimately brought a cease and desist proceeding against the state because the state had, after they had realized this was a problem, and they had put out a press release saying that there was this administrative problem, but the no investor funds were at risk.

**Ken Israel:**

Well, that wasn't necessarily true and then they put out another release that again was not necessarily true. So we brought a cease and desist proceeding against the entity itself, the Utah Educational Savings Plan, where they undertook to put new procedures in place to make sure this didn't happen again. And those procedures were enumerated in the order that they had, and they agreed to the order. Then we brought a separate fraud case against the administrator, and he was enjoined and had to disgorge all the money he had taken. But it was a very interesting case and involved, I don't know if there've been any other SEC cases involving 529 plans, but it was clearly an unusual situation and so we worked very hard with the folks back in Washington to get to the right resolve on that one.

**Ken Durr:**

Speaking of unusual cases, I also want to talk about a case that involves something called death puts... and that's the Staples, I guess, a father and son.

**Ken Israel:**

Yes. These people were actually out operating in of South Carolina, but we got the case because it was brought to us by a broker dealer subsidiary of a Utah bank, which had been approached to redeem some of these bonds. Essentially, some bonds carry something called a survivor benefit. If a bond holder dies, it allows anyone who was a joint holder or, I guess, a beneficiary to put the

bonds back to the issuer at par. Which, if the value of the bonds had dropped since they were issued, not an uncommon thing, would result in a benefit to the person submitting the bonds.

**Ken Israel:**

So this father and son in South Carolina, last name Staples, had come across this—and this shows the constant inventiveness of people who want to defraud others. They would find out who held certain bonds that had this survivor benefit and then, and also where the bonds had dropped in value since they were issued. They would go to bond holders who were terminally ill and agree to pay the bond holders, their funeral expenses. Typically, these were people who were poor and somehow had these bonds. They would agree to pay their funeral expenses. And in return, the bond holder would agree to set up a joint account with the joint brokerage account, with the Staples father and son.

**Ken Israel:**

Another important piece of this is that the Staples had total control over these accounts. So when the bond holder died, the bonds went to the Staples because they were placed in these accounts and the Staples represented that they were the sole owners of the bonds, and they were the successors and put them back to the brokers for, to redeem the bonds at par.

**Ken Israel:**

Well, this broker in Salt Lake thought this was kind of fishy that someone unrelated to the bond holder was actually submitting these bonds for redemption, and so we started investigating it, found out what was going on and had a little bit of a struggle figuring out how to approach the case because you know, the real sympathetic victims here are the terminally ill bond holders, but they weren't really out anything. We determined that the real victims were the corporations that issued the bonds and were now being asked to redeem them at par when the trading price was far below that. So it was a very interesting case to bring. Again, another one where we had to talk a lot with DC, vet this through Office of Chief Counsel, Corp Fin, and ultimately everybody came together on it, and we brought the case.

**Ken Durr:**

What was this statute? What was the mechanism?

**Ken Israel:**

Well, we brought the case based on basically 10(b) 10(b)5. Okay. So, it was a fraud case.

**Ken Durr:**

So, I assume you had a team of some sort working on this. How many people did you have in Salt Lake at that point that you were managing? We're moving into the 2010s here.

**Ken Israel:**

I think at that point we had 22, 23 people in Salt Lake. That had been fairly steady for several years. Now that's not all enforcement, probably two thirds of it was enforcement and we also had a four person exam group, and then some obviously clerical employees. But the bulk of our

operations was enforcement in Salt Lake. I guess the big thing is we didn't have, there was very little '40 Act presence in Utah. There were only a couple of investment companies, and they were companies that we would examine every two or three years, but never had any problems with them. And there were some investment advisors where we would sometimes have cases, but again, it's a fairly small number, so it was mostly the broker-dealer part.

**Ken Durr:**

Okay. So, by this time the districts, had been taken apart again and you actually became a regional administrator, right?

**Ken Israel:**

Yes. Correct. I can't remember exactly when that occurred.

**Ken Durr:**

2007.

**Ken Israel:**

Okay. So, the consensus was that this plan that had been put into place a few years before was not working. Granted, the Chairman no longer had direct reports to him, but the idea of trying to have offices shift their resources to work on different cases, the benefits of that hadn't materialized. I think because everybody was short staffed, everybody had more cases, more exams to do than they had the resources for anyway.

**Ken Israel:**

And so there was a real reluctance to take people from one office to work on a case in another. The really big cases tended to be worked out of DC anyway, or New York—New York had mega staff. So, those offices had the resources to do their big cases. Chicago did to some extent, but most of the other offices didn't. So, like when Enron blew up, that was handled out of DC because Fort Worth simply didn't have the resources to work it.

**Ken Durr:**

Right. Did it change your day to day at all, when you became a regional administrator?

**Ken Israel:**

It did a little bit in that I didn't have to report through Denver anymore, but Don Hoerl and I worked so well together that I don't think it was really much of a problem, when I did have to report through Denver and then really, I don't think there was that much difference. We had dealt directly with, certainly, the Office of Chief Counsel, Enforcement, OCIE, we dealt directly with them even before the reorganization. So, really didn't change much.

**Ken Durr:**

Historically, the regions were the front line when it came to enforcement going way back. And to some extent, I guess that was still true. A year after this reorganization, you get the Bernie Madoff case, and the decision is to take this whole thing apart and put it back together again. Tell

me about your experience with those changes that happened in Enforcement at that time. You gained formal order authority for one thing; you could go straight to DC. On the other hand, you had these specialized groups that are coming in.

**Ken Israel:**

Right. Well, getting regional directors formal order authority was actually a huge time saver, because we no longer had to go through the whole recommendation process, going back through the office of chief council, going out to all the other divisions for comments on recommendations that quite frankly were almost never turned down by the Commission because, all we were doing was seeking an order, allowing us to investigate a matter. My entire career, I can only remember one or two cases from any region that were turned down by the Commission at the formal order stage.

**Ken Israel:**

So, I thought that was a terrific innovation. Setting up the units, that was sort of a mixed thing for us. I think because our office was so small. Enforcement wanted to set up these units to develop expertise in certain areas. And they wanted each regional office to have at least one unit. So, we had ended up with a FCPA unit, Foreign Corrupt Practices Act unit, which was, an area where you really needed some expertise. And then there were other areas that did as well.

**Ken Israel:**

But for us, if you're taking two people to form a unit and you have an enforcement staff of say eight or nine, that's a substantial portion of your staff going towards this unit. So, basically the way I worked it out with them was that, yes, if we get an FCPA case, our unit will work on it, but they also have to be free to work on other matters as well. So, our unit operated a little differently maybe than some of the others. I think most of the others, once people went into a unit that was basically what they were working on, were unit cases. Wasn't quite the case for us.

**Ken Durr:**

Why would you need the Foreign Corrupt Practice Act specialization out in Salt Lake City?

**Ken Israel:**

Oh, well actually we didn't. The idea was that every region would have a unit. We had a number of cases that involved international aspects, I think, although they were basically pump and dump type things, but they were looking for a unit to put in our region and it was probably the best fit. We had people who were interested in doing FCPA cases and so they gave us a unit.

**Ken Durr:**

Okay. Any cases that we haven't touched on that stand out in the period that you were there?

**Ken Israel:**

I think one thing that you really haven't talked about, you mentioned Madoff, which I think came up in late 2008, largely as a result of his Ponzi scheme collapsing, because the markets crashed. But the Madoff, not that we weren't doing Ponzi schemes before that, there seemed to be a real

upsurge in doing those kinds of cases in the immediate aftermath of Madoff. And I would say this was Commission-wide, that there was a lot of focus on Ponzi schemes after that point. I know we did a couple of fairly big cases, half a billion dollars, couple hundred million, which were pretty large for us.

**Ken Israel:**

And I think a lot of these were also affinity frauds, meaning they were directed at specific groups of people. So, in our area, a lot of times these cases would involve—Utah and the surrounding states have very high LDS, Latter Day Saint populations. A lot of times these frauds would work through church connections. The church itself as an entity was obviously firmly against these and sometimes even warned its members against them, but still people would use these church connections to promulgate these Ponzi schemes. And, we had a couple of those that were fairly large.

**Ken Israel:**

And I think there's an element of trust. People, we found this Commission wide, when you have an affinity fraud, there's an element of trust because people who are similarly positioned by religion, race, tend to trust each other more than they would someone else. So, if you get those people in, it was easier to do the fraud. And we had, like I say, we had several big cases. We also had a very interesting one involving deaf investors which wasn't a real big case. And honestly was not directed by the promoters at deaf investors, but some deaf investors went into it, and it spread through the deaf community, which is a fairly insular community in a lot of ways.

**Ken Israel:**

And that was interesting in that we had to interview deaf investors, and it was a time when I think there were travel restrictions on which we had periodically because of budget constraints. But we were doing them through these, there are terminals that you can use to communicate with deaf investors. I mean, with deaf people and they can communicate among themselves and where you get an audible response. And so, we used that. It was quite interesting, but these are obviously very vulnerable people, and it was quite an interesting case for us.

**Ken Durr:**

Yes. I'm not sure I'd ever heard that term affinity fraud, but it makes a lot of sense. And particularly in Salt Lake. Was that something that was there from the beginning?

**Ken Israel:**

I think that that's always been a factor in what was going on in Salt Lake, but there were affinity frauds all over. I remember there was one, I think the Chicago office brought in Indiana that had some sort of religious connotation. There was another one that was mainly black investors. Another one that was mainly, I believe, Haitian or Central American investors, people who had moved to the US and then got caught up in this. So, it wasn't just religion. It can be any group basically that has something in common, I think.

**Ken Durr:**

Right. So you retired from Salt Lake in 2013, I guess. It would've been shortly after that Staples case we were talking about.

**Ken Israel:**

Right. It was weeks after. I hadn't realized until I went back to look how soon after that was filed, that I had actually retired.

**Ken Durr:**

Yes. Give me a general assessment of how you think the branch office, regional office, changed over the years in your experience. Both, type of cases, how it was run, whether it was more effective, less effective, all that sort of thing.

**Ken Israel:**

I always thought that the regional office concept was in a lot of ways, much more efficient than the setup in Washington. Washington had to be set up the way it was, with different divisions. The responsibilities of each division back there are much different, there are all kinds of legislative responsibilities and rulemaking responsibilities that we didn't have in the regions and would never have and wouldn't have been appropriate to have in the regions.

**Ken Israel:**

I think the advantage in the regional offices was that you had smaller groups and you could, I know we in Salt Lake and prior to that in Denver, if there was something going on, on the enforcement side where we needed, or say broker-dealer records, or more commonly, transfer account records, we could have examiners go in and get those records for us very quickly. Whereas in DC, you would have to work across division or office lines. So, I think that was a major advantage, plus you have the expertise of the exam staff who can help out on the enforcement side by giving advice, helping analyze data and a variety of other ways.

**Ken Durr:**

So the regions were more nimble in a sense, I guess?

**Ken Israel:**

I think in some sense, yes. On the other hand, the regions are not just because of resources, we couldn't do big cases, I mean the really big cases. Another advantage of being in the regions is if the exam program came up with something they thought was problematic during the course of an exam, they could refer directly over to the enforcement side of the office without having to go through a divisional structure like they would have to in DC. Plus most of the exam resources were located in the regions and I believe still are located in the regions.

**Ken Israel:**

So that was a big difference. And so, I think in some ways the regional office structure is more advantageous, on other ways probably not because the home office, it's easier for them to get to talk to other divisions. They can just ride an elevator and talk to them, walk in. I mean, there are



enforcement liaisons in every division you would just go in and talk to them. It's a little harder for us in the regions to do that. So, I mean, I think there are advantages to each model, but I think they sort of work well together as a whole.

**Ken Durr:**

One of the concepts early on was, they wanted regional offices to be a train ride away from any potential fraud out there. And I guess my question is with, first phones, then the internet certainly, did some of the reason for the regional offices start to go away, do you think?

**Ken Israel:**

I think some of it did. Certainly, when I was in the Denver office, Bob Davenport showed me the first recommendation memo that had come out of the Denver offices, I guess, in the thirties. And it was some attorneys, it had actually happened out of Salt Lake, but the way they made the recommendation memo was by telegram. And so, you had these long telegrams going to the Commission back in Washington, seeking authorization to file an enforcement action.

**Ken Israel:**

And the attorneys just stayed in Salt Lake until they got a permission to do it and then they went in and filed the action. But the technology had changed a lot over the years. I think the proximity issue was one, certainly early on, in terms of doing investigations. In fact, at one time there were a lot more regional or branch offices than by the time I went out to the regions. I know one time there were offices in Cleveland and St. Louis, Detroit, Houston, I think there may have been one in Minneapolis at one time.

**Ken Israel:**

So, those gradually sort of shrank and fell away over the years. And certainly as plane travel improved and we're taking planes instead of driving or taking trains, it made it much more efficient to conduct investigations or examinations. But, I think, having regional offices still has an advantage in that you have people located, you have offices in a particular area. And what we found over the years and a lot of cases, people were willing to come in to, say a Salt Lake office because it was in the same city they were located in, the same state, whereas they might not have wanted to go to take something to Washington DC or New York. So, I think there's still a real advantage to having regional offices.

**Ken Durr:**

Hmm. Sort of an affinity mechanism going on there.

**Ken Israel:**

Well, let's not use that word, but—

**Ken Durr:**

I didn't use the second word.

**Ken Israel:**

Yes. So I think there's still real value to having a regional office setup.

**Ken Durr:**

That's great. Is there anything that we haven't talked about that we should touch on?

**Ken Israel:**

If we kept on talking things would come up, but I think we've probably hit a lot of the high points, and this has been a lot of fun for me to go back and look at cases that we brought, going back to the eighties even. And so, I enjoyed the process. Thanks a lot.

**Ken Durr:**

Great. Well, this has been a great interview, I've really liked the peek into how the regional offices worked during your time there. So, thank you very much.

**Ken Israel:**

Okay. Well thank you, Ken.