

**Securities and Exchange Commission Historical Society**  
Interview with Mary E. T. "Mickey" Beach  
Conducted on August 21, 2002, by Richard Rowe

**RR:** All right. We're ready to start. This is an interview on behalf of the SEC Historical Society's Oral History Committee. This is your interviewer, Richard Rowe, and I am interviewing today, August 21, 2002, Mary E. T. Beach, affectionately called "Mickey" by her friends and colleagues. We're glad to have you here today, Mickey.

**MB:** Thank you. Glad to be here.

**RR:** And why don't we start off—you started at the SEC in the early 1960s?

**MB:** That's right. Let me start off this interview by saying I'm a terrible person to interview, because I have a very poor memory, and I'm going to get dates and times and people all messed up, so I don't want anyone to rely on anything I say as being actually what happened at the time that I said it happened.

Yes, I started in the early sixties. At the time that I started with the Commission, I believe Barney Woodside was the director of the Division of Corporation Finance or he had just moved up to Commissioner. Manny Cohen and Phil Loomis were Commissioners, I believe, at that time. These are the names that I remember, they were all famous names long before I came with the Commission. I started out as a financial analyst in the Division of Corporation Finance.

**RR:** What got you interested in coming to the SEC in the first place, Mickey?

**MB:** When I got out of college, I went to work for a company called Ferris and Company, which is still around. It has a different name now. I forgot what it is. But I was . . .

**RR:** Ferris, Baker, Watts?

**MB:** Ferris, Baker, Watts—you're right. I was a registered representative at the Ferris and Company. I was supposed to be selling securities, but I turned out to be just a terrible salesperson. I worried too much about people losing money. I would always give a long talk about, "Are you sure you can lose everything? You know this is a big risk." It soon became clear that this wasn't the place for me to be. Working at a brokerage firm, I had, of course, become familiar with the SEC. And so I decided to apply for a job there. Actually, while I was still in college, I had had an internship at the SEC one summer. So I was a little bit familiar with it. That summer I worked in what is now the Division of Investment Management. After I graduated from college, as I said before, I went to a brokerage firm, I didn't like selling, and so I went back to the SEC.

**RR:** And you started as a financial analyst?

**MB:** I started as a financial analyst.

**RR:** And what was that, in a branch?

**MB:** Actually they were called sections at that time. My section chief's name was George Scully. And although we turned out to be great friends, George was less than enthusiastic about having a female financial analyst when I first came. There weren't too many of us. There may have been one or two women attorneys, and if there were other women analysts they were few and far between. But, in the end, George and I got along very well. While I was there at the Commission, I went to law school, George Washington University Law School, and got my degree in January of 1965.

**RR:** And in those days, there was no selective review, I take it? You reviewed all the registration statements as they came in?

**MB:** You reviewed all that came in. There were not anywhere near as many coming in as there are now, but yes, everything was given a full review. There was no such thing as a short review or a long review. Everything that came in was assigned to an analyst, an attorney, and an accountant, and then the entire package, after comments were put together, was reviewed by the section chief. There was an assistant section chief who also did some reviewing.

When I came to the Commission, companies who were not listed on an exchange were not required to register under the '34 Act, as they are now. Listed companies that were

registered under the '34 Act were required to file annual reports on Form 10-K and semi-annual reports on Form 9-K. Quarterly reporting was not required. Of course, companies that registered securities under the '33 Act were required to file Forms 10-K and 9-K, pursuant to the requirements of Section 15(d), at least for some period of time, even if they were not listed on an exchange. Nevertheless, there were far fewer reporting companies than there were after the '34 Act was amended in the early or mid 1960s to require companies not listed on an exchange to register under that Act.

**RR:** Did you review 10-Ks, too?

**MB:** Yes, we did, when we had time, but the first priority was to registration statements, and so unless there was a little bit of slowdown, most of the time was spent on registration statements, and 10-Ks were not given very much in the way of attention. The disclosure requirements in Form 10-Ks were not anything like they became later on. Basically, the Form 10-K disclosure was just an add-on from the prior year. It would just discuss what happened in that one year. In other words, the Form 10-K did not describe the business or the company. It just discussed current year development. They weren't very useful documents, and we certainly didn't spend much time looking at them.

**RR:** And when you started, all of the registration statements had to be approved by the Commission before they became effective?

**MB:** When I first started, they all had to be cleared by the full Commission. On the day the registration statement was to go effective, the branch chief and the other professionals who had worked on the filing went to the Commission table. The Commissioners, some more than others, had taken the time to read the prospectus and they asked questions, and voted to declare it.

Shortly after I came to the Commission, the procedure changed. One Commissioner was given the delegated authority to declare a registration statement effective. Each Commissioner would be assigned a specified period of time—I believe it was a month—to be responsible for reviewing the registration statements that had requested effectiveness and to declare them effective. The branch chiefs and other professionals would meet with that Commissioner, answer any questions raised by the Commissioner and then the Commissioner would declare the registration statement effective. In the beginning the Commissioner reviewed all registration statements and declared them effective. Eventually, it was changed so that only IPOs [initial public offering] were seen by a Commissioner and the senior staff in the Division of Corporation Finance was given the authority to declare other registration statements effective. And, of course, finally the Division was given the authority to declare all registration statements effective so that today none go to the Commission or to an individual Commissioner.

**RR:** Or it would be very unusual, one that did.

**MB:** Yes. Now, they would only go if there was a denial of effectiveness or something else very unusual.

**RR:** Eventually you became a branch chief, didn't you?

**MB:** Yes. Eventually I became a branch chief, in 1964, I think. It was right after my first child was born.

**RR:** At least you can remember that. [Laughter]

**MB:** That date I remember. When I became a branch chief, my assistant director was a gentleman named Herb Miller, and after he left, it was Matt Epstein. I believe I also worked with Joe Bernstein for a while. I was a branch chief from 1964 to 1970, something like that, I think about 1970. Another thing, at least part of the time I was a branch chief, and you will remember this, Dick, the Division of Corporation Finance had an enforcement branch. I can't remember what it was called, but it did enforcement investigations.

**RR:** It was the Office of Administrative Proceedings and Investigations.

**MB:** Yes. Okay. I've forgotten exactly the distinction between that office and the Division of Enforcement. I think Section 5 cases were done by that office, as well as cases that

resulted from registration. I don't remember how it was broken down, but anyhow, Alan Levenson headed that group up, and you were in it, along with several other attorneys. So people in the branches did get involved in enforcement activities in that time.

**RR:** Yes. That office did administrative proceedings. So they did the investigations, and they could conduct stop order proceedings, but until very late before the Division of Enforcement was created, then they could do some limited work in court. But the General Counsel's Office and the Division of Trading and Markets did the real enforcement work—and the regions, of course.

**MB:** That's right. There was no Division of Enforcement, you're right. It was the Division of Trading and Markets. Later that Division was made into two Divisions, Enforcement and Market Regulation.

**RR:** Did you have some interesting experiences while you were a branch chief?

**MB:** While I was a branch chief? Gee, you know you're really asking me to go way back—I guess one of the more notable ones was H. Ross Perot's company, which is called—what is the name of it—it still has the same name, ESM, EMI . . .

**RR:** EDS [Electronic Data Systems]?

**MB:** EDS. Yes. H. Ross Perot was president of EDS, and EDS went public, and the filing was in our branch. H. Ross Perot, at that time, was the character that he still is, and he was very determined that some of his contracts would be given confidential treatment, because he felt they were very important to the company, and I'm sure they were. And so we explained how confidential treatment worked, how you filed the contract, and we would keep it confidential, and then the Commission or, I believe, at that time, the Division could pass on whether or not it would be granted confidential treatment.

That didn't suit Mr. Perot at all. He didn't really want to have anybody look at his contract. I remember him coming to my office, and his offer was that he would give a copy of the contract to the then director of the division, and they would put it in a safe. The director of the division would have a key to the safe, and H. Ross Perot would have a key to the safe, and they could open it and read the document, but nobody else could look at it. Obviously, he didn't win this battle, although he fought for a very long time to get it that way. He was certainly one of the more colorful characters I dealt with.

There were a couple of cases that involved the CIA [Central Intelligence Agency]. That was more than thirty years ago so I suppose it's all right to mention them. Alaska Airlines was one of them. Apparently there were some CIA employees at Alaska Airlines, and in connection with a review or possibly the beginning of an enforcement action, we got some visitors from the CIA who came over and explained what we could and couldn't do with respect to Alaska Airlines.

We had the first filing by a gambling casino. You will remember this, too, Dick, I think, because you were involved in it. The name of the company was Bally, I believe. We did go to investigation on that filing, partly, I guess, because of a concern with organized crime, but I think partly because we'd never seen anything like that before, and there were lots of questions about the accounting, whether or not the financial statements could be certified.

The investigation was conducted in the Division by the Office of Administrative Proceedings. In the course of that enforcement action, we met some colorful people. Louie "Sleepout" Levinson and Eddie "the Spick" Torres, were two people that actually were deposed. Eddie "the Spick" Torres was somewhat intimidating and I remember thinking I would not want to meet him on the street alone at night. Messrs. Levinson and Torres held executive office positions with Bally. I remember asking Mr. Torres about his qualifications and he stated that his father in New York had a fruit stand, and he helped at the fruit stand, and therefore he was qualified to be in charge of the entire restaurant operations at Bally. I believe the registration statement did eventually become effective.

**RR:** Eventually did you become an assistant director?

**MB:** Actually, I became chief of the Office of Disclosure Policy, which was at the same level as an assistant director. Alan Levenson was the director of the division and he

established the Office of Disclosure Policy. The Office was established primarily for the purposes of rule making and also to handle unique filings that required extra time and attention that couldn't be given in an operating branch. As an example, the first filings involving the registration of variable annuities were processed in that office.

One of the issues being debated at that time was the inclusion of soft information in the prospectus. It's hard to believe now, when you read current prospectuses, but then, in the early 1970s, only historical information could be included in a prospectus. No forward looking statements were permitted. You couldn't even say, "We think it's going to be a better year next year than this year" or "We think we're going to have new customers."

**RR:** Could you say, "We think we're going to have a terrible year next year?"

**MB:** Nobody ever tried to say that, so I don't know. [Laughs] We probably actually would have said, "No. You can't do that, either. It has to be just facts." Before changing the policy on soft information, the Division conducted a hearing that lasted for several days. Financial analysts, academics, attorneys, and accountants testified. Not everybody was for changing the policy. While there was maybe a strong constituency for disclosure of forward-looking information, there was a lot of objection to it, too. Particularly a concern by companies about liabilities. The first proposal that came out as a result of that hearing was a really complicated system. As I recall, it involved including projections in a Form 10-K, and updating them quarterly. I think the proposal also

involved comparing the actual results with the projections and explaining the difference. That proposal was never adopted. Eventually, something much less complicated was adopted. After several revisions over the years, we ended up with today's MD&A [Management's Discussion and Analysis].

**RR:** And then, eventually, you became associate director, didn't you?

**MB:** Yes, eventually I became an associate director. There were three of us, three associate directors and a director. Back then we didn't have associate directors specializing in one area. We just divided supervisory authority among the three of us—we each were responsible for one third of the branches and we split up the other offices like Chief Counsel's Office, the Office of Disclosure Policy, and the Chief Accountant's Office.

**RR:** You supervised the Office of Small Business Policy, too, didn't you, when it was created?

**MB:** Yes. The Office of Small Business Policy came later, in the late seventies or early eighties. As I recall, there was a lot of discussion and concern throughout the country about small businesses and how they were being hurt by the government. Small businesses felt that a lot of the regulations being adopted by government agencies, were imposing severe hardships on them. There was a White House conference on small business, and partly as a result of that, the Commission decided to take a look at its policies and examine how our rules affected small business.

As I recall, there was some legislation adopted that required the Commission to consider the impact of its rules on small businesses. So the Office of Small Business Policy was set up in the Division. In the beginning it was primarily a rule-making office. It also conducted a Conference on Small Business Policy. I forgot exactly what it was called.

**RR:** Forum—Small Business—something like that.

**MB:** Government-Business Forum on Small Business Capital Formation. That's it. These annual meetings are still held, some twenty years later. Every year small business executives and owners and the professionals who work with them meet for a couple of days with the staff of the Commission and also representatives from other government agencies, like the banking agencies, to talk about the rules and policies of these agencies which adversely affect small businesses and to come up with proposals that would make life easier for small companies.

Partly out of concern for small business problems in various capital, Regulation D was adopted. But I think we're jumping a little ahead. Before Regulation D, the Office of Disclosure Policy worked on Rule 146.

**RR:** Under Bill Casey, I guess?

**MB:** Rule 146 was an attempt to clarify Section 4(2), to provide a safe-harbor rule for what constituted a private offering. There were a couple of other rules that gave some breaks to small companies making very small offerings. After the Office of Small Business Policy was formed, a new regulation was drafted to combine all of the exemptions for offerings in one place. That was Regulation D. It provided three exemptions: one for offerings, I think, at that time, under \$500,000; one for offerings up to \$1 million; and then took the old Rule 146 and made it part of Regulation D, and it was an exemption for any size offerings. So Regulation D was a result, at least partially, of Commission concern with small businesses.

**RR:** The Commission adopted some special forms for small business, Form S-18, was it?

**MB:** S-18. You really are going back. That's right. Form S-18 was the first registration form that was adopted specifically for small companies. I can't even remember—I think it was for offerings up to \$2 million, does that sound right? It was something like that.

**RR:** I think, at first, it might have been two and a half or something like that.

**MB:** Yes, it was pretty low.

**RR:** If I recall, the S-18s were not examined in Washington, or at least not all of them. They were examined . . .

**MB:** That's right. Form S-18 was examined in the regions, that's right, in the regional office. In the beginning, all of the regional offices examined them. There was an historical precedent for that. For years there was an exemption called Regulation A that permitted very small offerings to be made without filing a registration statement as required by Section 5 of the '33 Act. Under this exemption, an offering circular was prepared and filed with the regional office, examined by the regional office, and approved by them. It was in fact a mini-registration, but it did not have all the liabilities of a full registration statement and did not trigger some of the continuous reporting requirements which result from full registration.

Form S-18 was a full registration statement, just with some less burdensome disclosure requirements. For example, it required fewer years of certified financial statements and somewhat simplified disclosures regarding the business of a company. It was adopted specifically to make it easier for small companies to raise capital. Because of their experience with Regulation A, it was decided that the new Form S-18 should be reviewed in the regional offices and declared effective in those offices. It was also felt that regional filing would be viewed as helpful to small companies. Rather than dealing with a staff in Washington, they could deal with more local people.

The Office of Small Business Policy in Washington had oversight responsibility for the regional office review staff. They were available to the regional office staff for questions and consultation on unusual or difficult problems. They also looked at findings on Form

S-18, after they were effective, to assure that there was consistency throughout the regions in the quality of review and the completeness of the final registration statement. The Office of Small Business Policy had analysts, accountants, and attorneys to carry out their oversight responsibility. Just to show the quality of the staff in the Office of Small Business Policy, Robert Bayless, who eventually became Chief Accountant in the Division was the first accountant to work in the Office.

As another way of assuring the quality and consistency of the review process in the regions, a regional office conference was held once a year. All of the review staff in the regional offices attended the conferences and at least a few regional administrators also participated. Staff members of the Office of Small Business Policy and other members of the staff of the Division of Corporation Finance, of course, attended. The meetings were held at different places each year—sometimes in Washington but often in the cities where the regional offices were located.

Then after several years of all the regions reviewing the Form S-18 filings, it was decided that, because the number of filings were not that high, only five of the nine—what was then the nine regional offices—would look at them. Eventually, I think in the mid nineties, regional office review was discontinued. New forms were adopted, Form SB-1, Form SB-2, 10-KSB, 10-QSB, for small businesses. Small businesses were defined in such a way as to include a much larger number of companies and all of their filings were reviewed in the Office of Small Business Policy.

**RR:** Okay. Now we can go back to the Advisory Committee on Corporate Disclosure that you had played a large part in, and I guess Al Sommer was the chairman. Tell us something about that.

**MB:** In the mid 1970s, the Commission decided to appoint an Advisory Committee to review the disclosure system administered by the Commission to determine whether the information furnished was as complete and useful as possible, without undue costs to public companies. A lot of interest was being generated in a new economic theory called the Efficient Market Theory and many of the players in the investment community believed that the disclosure requirements should be reexamined in light of this new theory. There was also a belief that the disclosure system focused too much on offering documents and not enough on continuous disclosure after companies became public.

Al Sommer was the chairman of the Committee and there were about fifteen or sixteen other members, including lawyers, accountants, corporate executives, academics, and analysts. Warren Buffet was one of the more famous members of the committee. Homer Kripke, who was somewhat of a legend already in the academic community, was also on the committee. Marty Lipton, Art Fleischer, and Alan Levenson represented the legal community. One of the committee members, Harold Williams, became chairman of the SEC before the committee had completed its report.

The committee met several times over a two-year period and then submitted a final report

with recommended changes to the Commission. The committee's recommendations covered many areas such as segment reporting, projections, and soft information and problems of small businesses. All of the recommendations influenced policy and rulemaking over the next several years.

One of the most important recommendations was the integration of the disclosure requirements for public offerings and for the subsequent continuous reporting requirements in annual and quarterly reports. To accomplish this integration the Committee recommended a single disclosure form to be used in preparing prospectuses, annual reports, and proxy statements. As a result of this recommendation, the Commission adopted Regulation S-K, which is still in use today.

**RR:** How did you enjoy working with Al Sommer and the rest of the committee members, Al, particularly?

**MB:** Al was a great guy to work with. His goal was to make the Advisory Committee a collegial body and to come up with recommendations as a result of consensus building. He was able to keep the committee members, many of whom had very large egos, happy most of the time and to come up with an excellent finished product. I headed up a group of about four or five staff lawyers and accountants who worked with the committee and we all loved working with Al. He set high standards but he was always pleasant and appreciative of good work and had a great sense of humor. He was certainly one of my

favorite people and one of life's true gentlemen. We all miss him.

**RR:** That we do. After that, what did you do?

**MB:** Well let's see. Another area I worked in was the international area. In the late 1980s and early 1990s foreign companies were becoming increasingly interested in trading on U.S. exchanges. Unfortunately, from their point of view, in order to do this they had to register with the Commission. This raised substantial problems for them, because the disclosure requirements in their home countries were much different than ours. Actually in many cases it was the lack of any disclosure requirements. The financial statements were a huge problem because their accounting principles and auditing standards did not measure up to those in the United States.

In order to deal with these problems and to help foreign issuers through the registration process, the Division set up an Office of International Corporation Finance which reported to me. That office developed special disclosure forms for foreign issuers both for public offerings and for continuous reporting afterwards.

This office also worked with, and still works with, an international group made up of securities commissioners in many countries. This group is now called IOSCO. I believe that stands for International Organization of Securities Commissioners. The purpose of the group is to adopt international standards among countries in many areas including

accounting standards, disclosure requirements, enforcement, and market regulations.

They also work toward sharing information in enforcement cases. The group when it was first organized was made up only of representatives of North American countries. That is the U.S., Canada, Mexico, and Central and South American countries. Some of the leading movers in the beginning were Irv Pollack and John Evans, both ex-commissioners. I was lucky enough to attend meetings in Quito and Cartagena, a couple of places I probably would never have visited.

Another important accomplishment of the Office of International Corporation Finance was the adoption of a regulation clarifying when an offering by a foreign issuer was required to be registered under the '33 Act and when it was not subject to U.S. jurisdiction. This regulation was called Regulation S and, of course, it still exists today.

There is a somewhat interesting story on how it came to be called Regulation S. As you know, there is a Regulation A, Regulation B, Regulation C, and so forth. I believe at that time we were at around Regulation G, but there was a banking regulation designated G and Regulation H didn't sound like a good idea—you may be able to figure out why—so we were looking around for an appropriate letter. The two people who did most of the actual drafting on the rule were Sarah Hanks and Sam Wolf, so we called it Regulation S for Sarah and Sam. They are the only two people I know of who have a Commission rule named for them.

**RR:** [Laughs] That's great. I never heard that one before.

**MB:** You didn't know that? [Laughs]

**RR:** No, I didn't know that. All right. Do you recall any humorous, really humorous moments when you were at the SEC?

**MB:** I had so many great laughs at the Commission that it's hard to pick out just a few, but I'll try. One of the funniest guys I ever worked with was Ron Wenner. He had a dry sense of humor and could disguise his voice so that I'm sure not even his own mother would recognize it.

You remember I mentioned a Homer Kripke who was a famous academic on the Advisory Committee. Well Homer was pretty old when he was on the Committee and one day I got a phone call from someone identifying himself as Homer Kripke's father. Well I figured he would have to be well into his 90s. I remember thinking, "Oh, no, Homer died and his father's calling to tell me." But then Ron went on to say, "I just called to see how my little boy is doing on your committee." Of course, you know it's a joke pretty fast but for a second he could really fool you.

I'll tell you another Ron story. An attorney, Paul Belvin, had bought a new car and when he got to the office he was looking over the invoice and realized they had not charged

him for air conditioning. He was kidding about whether he should call them or not, when his phone rang and someone identifying himself as a lawyer for the car dealership started threatening to sue Paul for fraud and theft. He really had Paul upset for several minutes. Of course, it was Ron calling. Several of us were in on the joke and were standing outside Paul's office having a great laugh.

When one of the attorneys was applying for a job as legal assistant to then Commissioner John Evans, who was a Mormon, Ron stuck a sign on the attorney's back before he went for the interview, which said, "Mormons seldom bathe." We did get it off before the interview and, in fact, the attorney got the job.

Paul Belvin played a practical joke himself on another attorney, John Huber. He got a hold of a buck slip with the Division director's name on it. In fact Dick, as I remember, you were the Division director at the time. Paul had somehow found a release from another government agency, I believe it was the Consumer Protection Agency, discussing electric worm prods. He sent the release to John with your buck slip on it and a note asking John for his opinion on the securities law implications and then signed your name.

Poor John read the release so many times trying to find any securities law implications and even talked to several other people in the office, before he discovered it was a joke.

Those are just some examples of funny instances. Hardly a day went by in my career at the Commission that I didn't have at least one good laugh.

**RR:** And what would you say was your greatest accomplishment when you were at the Commission?

**MB:** I really don't know. Maybe just surviving thirty years at the Commission. I was so lucky to be involved in such a variety of special things. I was the first woman branch chief in the Division and the head of the first rulemaking office in the Division. I was instrumental in establishing the first office devoted to concerns of small businesses and the first office detailing exclusively with foreign issuers. I was a part of the Advisory Committee on Corporate Disclosure which was itself unique in the history of the Commission. I was one of the organizers of the first Government-Business Forum on Small Business Capital Formation, which is still going on. These meetings led to a great exchange of ideas between the Commission and small business people, not just the attorneys and lawyers who represent them.

I was around when the Commission first began working with the ABA committees on securities matters. When I first came to the Commission, staff members could not even belong to the ABA. Now there is a good relationship and an open exchange of ideas between the staff and appropriate ABA committees.

When Regulation D was adopted we worked closely with the ABA Small Business Committee. That Committee sponsored a conference in Snowmass that played an important role in the small business initiatives at the Commission.

None of these things are "my" accomplishments. They were just accomplishments that I played a role in. So many people are always involved in new ideas and new undertakings that no one person can take much credit. And, in fact, what makes these accomplishments fun, and what has made working at the Commission so much fun, is all the new and different people you get to work with when you are involved in lots of new projects.

**RR:** When you were working on Regulation D, did you have to work with the states at all?

**MB:** Yes, we worked very closely with the states and that was a new and interesting experience for me. Before we worked on Regulation D, I knew practically nothing about NASAAC the North American Securities Administrators Association—and very little about state blue sky laws. Since one of the purposes of Regulation D was to make it easier for small businesses to raise capital, it was important for the Commission to work with the states in developing the regulation. The states were as much of a regulatory problem for small businesses as the SEC. In fact, some companies believed that the states were the worse problem. Not necessarily because state regulations were more restrictive than federal regulations, although some of them were, but mostly because there was no uniformity among the states. A small company making an offering in seven or eight states had to deal with seven or eight different regulations and seven or eight different state securities commissioners. And this was in addition to SEC regulations.

The goal of Regulation D was to obtain uniformity among the states. In order to come even close to accomplishing this goal, the states had to be closely involved in writing the Regulation. So the SEC staff and NASAA had to cooperate. For the most part, the state securities commissioners were committed to developing a rule we could all agree upon, but there were a few who were adamantly against any kind of compromise. After many meetings and discussions, Regulation D was finally adopted and one of the rules in the regulation was endorsed by NASAA as a Uniform Limited Offering Exemption [ULOE] and subsequently adopted by most states.

Although for the most part it was a good experience and I found most of the state people great to work with and became friends with many of them, there were some confrontation and acrimony. At one point some of the opponents to any kind of uniform exemption at NASAA invited Ralph Nader to speak at one of their annual meetings and denounce Regulation D. Actually, Ralph Nader did not know anything about Regulation D nor have any understanding of what it was attempting to accomplish. It seemed to me that he simply mouthed what the opponents wrote to him without knowing what he was taking about. I had always respected Ralph Nader and was really disappointed to hear him condemning something he didn't understand. But all in all as I said before, it was a great experience and I met and became friends with a lot of great people from the states.

**RR:** And eventually you left the Commission?

**MB:** Yes, eventually I left in 1993. I didn't think I would be working anymore as a securities lawyer. I planned on trying to get a part time job with a travel agency so that I could travel more. I had even taken some courses that would lead to certification as a travel agent. I also thought I would take in some movie matinees—something I had never been able to do. I was also thinking about taking up golf again. It had been about thirty years since I had played. And I thought I might do some volunteer work as a docent at one of the museums.

What actually happened was that about a week after I left the Commission, an attorney friend of mine called and asked if I would be an expert witness in a case involving a private offering in the United States by a British company. I don't remember too much about the facts of the case, but I do remember my friend told me that I would probably have the opportunity to fly to London on the Concorde and testify in a British court. It sounded like great fun, so I said I would do it. I remember that Ed Fleischman, a former commissioner, was testifying for the opposing party. I think he was just as excited about going to London and testifying as I was. Unfortunately, neither one of us got to London, much less into a British court. Although we both gave brilliant affidavits on the subject of private offerings in the U.S., the British judge said he didn't care what the U.S. law was, he was going to decide the case on British law and he didn't need either one of us.

That case sort of got me on the "expert witness" circuit and I have been an expert witness about fifteen or twenty times since I left the Commission. All of them interesting and

fun, but none have gotten me on the Concorde or into a British court.

I also became involved in international projects. Many other ex-Commission employees do this also. Developing companies come to our government and ask for assistance in many areas, including capital markets development. The government contracts with private organizations to provide these services and these organizations develop a "stable" of experts who work on these projects on a short term or long term basis. As an expert in corporate disclosure and corporate governance, I have traveled to Manila, Moscow, Trinidad, Bangkok, and Mumbai [Bombay], to help develop regulations and to conduct training programs for the government employees who will administer and review the disclosure documents.

**RR:** So you didn't have to become a travel agent to travel?

**MB:** No, I got to travel without becoming a travel agent. I also became an arbitrator for the NASD [National Association of Securities Dealers] and for the last four years I have been a member of the NAC [the National Adjudicatory Council of the NASD]. Both of these things, being an arbitrator and being on the NAC, have been wonderful experiences and a lot of fun. I have learned so much about the brokerage business and how it operates. At the Commission, I focused on the activities of public companies—what they had to disclose, when did they have to disclose, what steps did they have to take before they could sell their securities. Working with the NASD, I have seen the other half of the

securities business—how securities are actually sold on a day-by-day basis, what problems do brokers have, and what kinds of complaints do customers have. It has really been fascinating.

So I haven't been to one movie matinee, haven't taken up golf, and, as you say, haven't gone to work for a travel agency. I have done some volunteer work with The Women's Center and Legal Services, but for the most part, life after leaving the Commission has been very different from what I thought it would be.

**RR:** [Laughs] But you've had fun.

**MB:** But I've had fun. It's been great. Yes.

**RR:** Well, is there anything else you want to say?

**MB:** I can't think of anything. I've enjoyed this afternoon looking back and remembering all the things I have forgotten and the great people I have worked with and just what fun it was and still is.

**RR:** Okay. Well, you've had a wonderful career, and I guess it's still going.

**MB:** It's been fun. It's been great.

**RR:** That's the most important thing.

**MB:** Right.

**RR:** Okay. Then we're going to end our interview at 3:20, and thank you very much, Mickey.

**MB:** You were right. It was about an hour.

**RR:** Yes.

**MB:** Okay.

[End of interview]

**Index**

Alaska Airlines ..8	..8
American Bar Association ..22	22
Small Business Committee ..22	22
Bally ..9	9
Bangkok [Thailand] ..26	26
Bayless, Robert ..15	15
Beach, Mary E. T. ..1	1
Career in SEC ..3, 6, 9, 11, 18, 21	3, 6, 9, 11, 18, 21
Educational background ..3	3
Expert witness ..25, 26	25, 26
Family of ..6	6
involvement in international projects ..26	26
Joins SEC ..1, 2	1, 2
Leaves SEC ..25	25
milestones at SEC ..22	22
on working with Al Sommer ..17, 18	17, 18
Travel ..22, 23, 25, 26	22, 23, 25, 26
volunteer work ..27	27
Work background ..2	2
working with the states in developing regulations ..23, 24	23, 24
Belvin, Paul ..20, 21	20, 21
Bernstein, Joe ..6	6
Buffet, Warren ..16	16
Canada ..19	19
Casey, Bill ..12	12
Central America ..19	19
Central Intelligence Agency ..8	8
Cohen, Manny ..1	1
Consumer Protection Agency ..21	21
EDS ..7	7
Efficient Market Theory ..16	16
Electronic Data Systems ..8	8
Epstein, Matt ..6	6
Evans, John ..19, 21	19, 21
Ferris and Company ..2	2
Ferris, Baker, Watts ..2	2
Fleischer, Art ..16	16
Fleischman, Ed ..25	25
Form 10-K ..4, 10	4, 10
Form 10-KSB ..15	15
Form 10-QSB ..15	15

Form 9-K .....	4
Form S-18 .....	13-15
Form SB-1 .....	15
Form SB-2 .....	15
George Washington University Law School .....	3
Government-Business Forum on Small Business Capital Formation.....	12, 22
Hanks, Sarah .....	19
Huber, John .....	21
Initial public offering [IPO].....	5
International Organization of Securities Commissioners .....	18
Kripke, Homer .....	16, 20
Levenson, Alan .....	7, 9, 16
Levinson, Louie "Sleepout" .....	9
Lipton, Marty .....	16
London [England] .....	25
Loomis, Phil .....	1
Management's Discussion and Analysis .....	11
Manila [Philippines] .....	26
Mexico .....	19
Miller, Herb .....	6
Moscow [Russia] .....	26
Mumbai [Bombay] .....	26
Nader, Ralph .....	24
National Association of Securities Dealers .....	26, 27
National Adjudicatory Council.....	26
North American Securities Administrators Association.....	23, 24
Uniform Limited Offering Exemption.....	24
Perot, H. Ross .....	7, 8
Pollack, Irving .....	19
Regulation A .....	14, 19
Regulation B .....	19
Regulation C .....	19
Regulation D .....	12, 13, 22-24
Regulation S .....	19
Regulation S-K .....	17
Rowe, Richard .....	21
Rule 146 .....	12, 13
Scully, George .....	3
SEC Historical Society, Oral History Committee .....	1
Section 5 .....	6
Securities Act of 1933.....	4, 14, 19
Section 4(2) .....	13
Securities and Exchange Commission.....	1-5, 8, 11-13, 16-18, 20-27
Administrative Proceedings and Investigations, Office of.....	6, 7, 9

Advisory Committee on Corporate Disclosure.....	16, 17, 22
and concern with organized crime.....	9
and confidential treatment of contracts .....	8
and offering circulars.....	14
and registration statements .....	3, 5, 7, 9, 14
Chief Accountant's Office.....	11
Chief Counsel, Office of the.....	11
Corporation Finance, Division of.....	1, 5, 6, 15
Disclosure Policy, Office of.....	9-12
Enforcement, Division of.....	6, 7
first filing by a gambling casino.....	9
General Counsel, Office of the.....	7
interest of foreign companies in trading on U.S. exchanges .....	18
International Corporation Finance, Division of.....	18
International Corporation Finance, Office of.....	18, 19
Investment Management, Division of.....	2
Small Business Policy, Office of.....	11-15
Special Disclosure Advisory Committee.....	20
Trading and Markets, Division of.....	7
Securities Exchange Act of 1934.....	4
amendment in early or mid 1960s .....	4
Section 15(d) .....	4
Section 5 .....	6
Sommer, A .....	1, 16-18
South America .....	19
Torres, Eddie "the Spick" .....	9
Trinidad .....	26
Wenner, Ron .....	20, 21
Williams, Harold .....	16
Wolf, Sam .....	19
Woodside, Barney .....	1