

**Securities and Exchange Commission Historical Society**  
**Interview with Bruce Burditt**  
**Conducted on April 29, 2008, by Kenneth Durr**

**KD:** Telephone interview with Bruce Burditt, April 29<sup>th</sup>, 2008, by Kenneth Durr. Let's start with some of your background. I believe you were trained as an accountant?

**BB:** That is correct.

**KD:** Went to Wichita State?

**BB:** Correct.

**KD:** So how did that lead you into the Kansas Securities Commission?

**BB:** I spent a significant portion of my career in public accounting doing special utility rate case reviews, while in public accounting for the benefit of the Kansas Corporation Commission. And that led to employment with the utilities division of the Kansas Corporation Commission as the chief's utilities regulatory auditor. At that point in time the Kansas Securities Commissioner was actually a unit within the KCC—the Kansas Corporation Commission. My supervisor was the director of utilities, a man by the name of Fred Adam—Dwight Keen was the Kansas Securities Commissioner—and that would have been during the '70s, mid-'70s. They had a good working relationship. Dwight had the need for some financial work; and he made the request of Fred, and Fred said: "Gee,

I've got this new chief utilities regulatory auditor. I'll send him down, and maybe he can be of some assistance to you." So over a course of a couple of different projects, I had some interaction with Dwight Keen. And it might make some sense to say that Dwight Keen is the only securities commissioner that I'm aware of in Kansas history that was appointed by one administration and retained by the other administration. Traditionally, we have a change of security commissioners when we have a change in administrations. So, Dwight had unique knowledge; he'd spent a couple years, obviously, in the industry with what was then the National Association of Securities Dealers. So he had great credentials. He's an attorney. And he was the securities commissioner. So in that period of time that I was employed by the Kansas Corporation Commission Utilities Division, I actually worked with Dwight Keen on a couple of securities issues. I could not tell you today what those were, but they were something that he thought he needed help on at that point in time. So I then left the Kansas Corporation Commission, took a position with a municipal owned utility, and spent a couple of years doing that. And then I decided it was time to move on. And given the strength of the relationship with Dwight Keen—he obviously felt good about the work that was done—he hired me as the chief accountant for the Kansas Securities Commissioner. And that would have been in 1979.

**KD:** Okay. Now, how much did you know about the Kansas Securities Commission at that point?

**BB:** Not much. I know I liked the man, and it seemed like a worthwhile—I'd obviously heard that the Blue Sky Laws were obviously in recognition of that first decision back in 1910

or 1911 when the judge said: “Mr. Promoter, what you’re selling is not worth anymore than a square foot of Kansas blue sky.” And that Kansas had what some people consider to be the first modern consumer protection act in the nation, the Kansas Securities Act.

**KD:** Okay. So, you knew that. And you came in. What kind of work did Mr. Keen put you to?

**BB:** A variety of work. We did some broker/dealer reviews. We paid a lot of attention to the registration of securities. My predecessor for the Kansas Securities Commissioner had been the chairman of the NASAA—North American Securities Administrators Association—audit committee. And at that point in time the audit committee’s only duty was to perform a mini audit of the revenues and expenditures that came in to fund the association for an annual conference. It was a very low budget operation, and they needed somebody to give some comfort to the members, so the traditional task of the audit committee was to perform this mini review of cash inflows and cash outflows.

**KD:** Okay. And not a terribly difficult job at that point.

**BB:** Definitely not. Dwight said, “Gee, your predecessor had been the chairman of this audit committee, would you want to assume those same responsibilities?” And he explained what the role was. And I said, “Sure, I’ll be glad to help any way I can.” I believe Harvey Bell, who was the Arkansas Securities Commissioner at that point in time, had just been elected NASAA president.

**KD:** Okay. So that was your first involvement with NASAA, was coming into the audit committee.

**BB:** Correct.

**KD:** All right. Before we get further into NASAA, I want to make sure I haven't missed anything in your chief commissioner's time. It sounds like a lot of what you were doing—and I assume you would have had a staff—were routine things: reviews and registration.

**BB:** Absolutely. Trying to coordinate—I think NASAA strived to coordinate the registration process among the states, trying to create some uniformity. I'm not saying that it was a total success, but it was better than no effort at all.

**KD:** And this was in the early period, 197.

**BB:** Right. 1979. My term with the Kansas Securities Commissioner was '79 through '82.

**KD:** Okay. While you were working with the Kansas Securities Commissioner, did you do any investigative type work, or anything like that?

**BB:** Absolutely. We busted some boiler rooms.

**KD:** How did that work?

**BB:** Oh, that was very gratifying. The commissioner hired a former Kansas Bureau of Investigation agent, and that person went undercover and really got inside, not as an employee, but certainly as a prospective employee of the boiler rooms, and learned what was going on. And we busted them. We came in with uniformed officers, and we shut them down. And then it became the responsibility of the accounting staff to take the books and records that we seized in those situations and actually make a case. And we did several of those, put several boiler rooms out of operation that had been operating in the state of Kansas. The adrenalin gets pumping pretty good when you go in in those situations.

**KD:** I'll bet. What kind of staff did you have at this point?

**BB:** Oh, maybe five.

**KD:** Okay. Now, something about Kansas: Jeff Bartell talked a little bit about merit states. And you know, some states worked under a system of merit review of the securities. And that those tended to be members of the Midwest—

**BB:** Securities Commissioners Association.

**KD:** Right. And I was wondering if Kansas was a member of that group.

**BB:** Absolutely. Absolutely. At that point in time—and I believe Jeff Bartell to help you with NASAA—but I think Jeff Bartell was the immediate predecessor to Harvey Bell.

**KD:** Yes, he was in there about '79, I think

**BB:** Right. And Jeff, I believe, was from Wisconsin; and Wisconsin was definitely a strong merit state. And there was a Midwest Securities Commissioners Association, all of which happened to be merit—state law provided for a merit form of regulation.

**KD:** Was Kansas a strong merit state as well?

**BB:** Yes sir.

**KD:** Okay. Tell me a little bit about that. Most people are used to the idea of disclosure as being the main means of regulation. What were you looking at that was different?

**BB:** It was more paternalistic. It has to be fair, just, and equitable. Excessive amounts of cheap stock—all that cheap stock could be cured by escrowing it. The idea was to really be a little bit more paternalistic. It goes beyond full disclosure. It actually tries to structure a little bit more advantageous position for the public investor.

**KD:** Any other enforcement type actions that you would have been involved in during your time as chief accountant?

**BB:** No. There were several boiler rooms involving oil and gas. As I recall, those were the most frequent type of securities that were supposedly being offered.

**KD:** Okay. And they may or may not have existed.

**BB:** Absolutely. May have been an absence of any lease anywhere.

**KD:** Did you ever work with the SEC in getting guidance, or sharing information?

**BB:** Although there would be some people that you might speak with that really did have involvement—I believe there was some—I did not have any in my role on the enforcement cases. I think later on, there were some cohesive activities undertaken between the states and the SEC. I think there was some greater information sharing; nothing that I worked on, on an enforcement case.

**KD:** Okay. Well you talked a little bit about your early involvement with NASAA, and doing this audit, which was a pretty straightforward thing.

**BB:** That's right. [*laughing*] It was a limited scope engagement.

**KD:** So, the sense I get is this was a pretty small organization.

**BB:** Absolutely.

**KD:** Now, had it been based in Kansas?

**BB:** Yes. In recognition of the fact that Kansas was the first state with a state securities law. When NASAA was incorporated, it chose to be a Kansas corporation.

**KD:** Okay. And was there an office?

**BB:** At that point? In 1979 there was not.

**KD:** Okay. So it was sort of a virtual organization.

**BB:** That's right. It operated simply based upon people on the staff: the commissioners, and the staffs of the states that really sought to devote some portion of the human resource that they had to some type of group activities that would be beneficial to the investing public.

**KD:** What kinds of things was NASAA able to accomplish working that way?

**BB:** Maybe some degree of uniformity in regulation. Somebody from the Blue Sky Bar might say there was a total lack of uniformity. But there was some attempt to make things more uniform from a regulatory perspective. About that time period, NASAA had been writing guidelines that would hopefully be used by the state securities regulators, and would be a uniform approach. I mean there was a REIT guideline. There were real estate investment trust guidelines. Many of these were for direct participation programs. Okay? So there was some concentrated effort. There were documents developed that hopefully led to some degree of greater uniformity amongst the states.

**KD:** Did you work through a committee system, or something like that?

**BB:** Yes. Yes, largely a committee system.

**KD:** Okay. And I assume you would meet at the annual meeting, and maybe at a few other occasions.

**BB:** Well, our timeframe becomes somewhat relevant. Prior to 1979, NASAA essentially had no money. It had a little bit of seed money from one conference that would be available to fund the next conference. In 1979, NASAA—Harvey Bell—took a handful of people that were involved in the licensing process of agents, and suggested they get together at a central meeting site, spend some time over the weekend, and try to come up with some questions that all the participants—it was essentially a pencil/paper process for being licensed as a securities agent; there might have been some reciprocity between the states,

but it was pretty hit and miss. If I wanted to be an agent in Kansas, I took a pencil/paper exam. If I wanted to be an agent in Missouri, because I had clients over there, I took a pencil/paper exam for the state of Missouri, both of which were intended to demonstrate to the securities commissioners and the respective states that I was knowledgeable about state securities law.

**KD:** Right. So if you wanted to work all over the country, you'd take a lot of exams.

**BB:** Absolutely. Tremendous replication of effort with no greater—one exam was not particularly any better than another exam. That's speculation. I didn't take multiple exams. So in 1979—and I really don't know who deserves the credit; I don't know if it was Jeff Bartell that was the visionary, and Harvey Bell just happened to be the person that inked the contract; or if Harvey Bell was the visionary—but somewhere between those two individuals, they realized that there's this tremendous replication of effort, we're really burdening those who willingly submit to regulation, and we need to have a uniform system. So it was actually during Harvey's tenure that people got together, predominately on a weekend, or what time they contributed while on the clock for their respective employer state, and developed a set of uniform questions. And Harvey went to the NASD; he said, "Look, we want to create a uniform exam that all the states will accept." And they inked the contract between NASAA and the NASD, that the NASD would administer the exam. And—boom. Now NASAA had a funding source.

**KD:** The exam fees.

**BB:** Exactly. And initially, while it was very material in relationship to the revenues that NASAA had previously enjoyed, it still was pretty paltry in absolute dollars. But it was a lot more than they'd received before. So, the good news is that those exam fees, the number of agents being licensed increased and increased; and the number of states requiring the uniform securities agent state law exam continued to increase, and NASAA then had, over a period of years, a very strong and renewable funding source.

**KD:** Was there an increase in securities agents nationwide because of this? You would think that since it got easier, that may have been the case.

**BB:** I don't know if there was an increase nationwide in the number of agents, but there became a trend for agents to be licensed in a multitude of states. If I'm an agent that's a big producer, and I have a client that moves from Kansas to Kentucky: Gee, pay fifty dollars more in Kentucky fees, and keep that client. So there was a real trend towards agents becoming licensed in a multitude of states.

**KD:** I see. Okay.

**BB:** So if somebody put together a historical perspective of the agent licensing fees over the last twenty years, I think there would be a tremendous growth in the fees that the states have collected—first of all, the rates have increased over time—but secondly because we

have an agent that perhaps twenty-five years ago was registered in three states, now is registered in fifteen states, because she or he has clients moving to those other states.

**KD:** And it becomes more realistic for the agent to follow them, so to speak.

**BB:** Right. Right.

**KD:** Okay. So you talked about the funding coming in to NASAA with this new test, and these new fees that you see building up over time. What did NASAA do with the funding? What did they do with that money that they were getting in?

**BB:** They did place an emphasis on enforcement. They used the dollars to fund states coming together on joint enforcement actions. That was one objective. They were broken down into multiple sections. I think we had three or four sections. They broke it down. I know we had an enforcement section. We probably had a securities registration section, and that would be the section that dealt with trying to develop these uniform guidelines. And I don't know if there was a licensing section. I don't have that recall.

**KD:** Yes. I'm sure we can look up those specifics.

**BB:** Yes. There were multiple sections. And the dollars were allocated to those sections, and then expended on those types of projects.

**KD:** And the fundamental here was that everybody was trying to work toward uniformity.

**BB:** Yes sir. That, and joint enforcement action. It doesn't do the citizens of the nation any good for Kansas to shut down a boiler room, if the people simply migrate to Missouri. We really haven't accomplished too much. Yes, we've moved them out of Kansas, and we've protected Kansas citizens; but we really haven't done anything to shut the people down. So there were some joint enforcement actions. You know, maybe it was really somebody that scattered across the nation, and somebody in California—their investigators got wind of it, and they realized: no, they're not just in California, they're making calls to Nevada and Utah as well, or New Mexico. So, there was this sharing of information between the states, between the state securities regulators.

**KD:** Okay. Now, I gather that at some point in here, your work with NASAA increased, that you got more involved in the organization.

**BB:** Yes sir. Because NASAA was now having a funding stream of some size. Harvey Bell thought that because most of the commissioners were attorneys it would be advantageous to have at the board meetings—the NASAA board met quarterly—somebody with a financial background. So I got invited as the chairman of the audit committee to come to all the board meetings.

**KD:** Okay.

**BB:** And because the chairman of the audit committee was a staff person, and everybody else around the table was a commissioner, there were a host of projects assigned to the audit committee, that traditionally you might think were outside the scope of what an audit committee would do. One of those projects that sticks in my mind was a policy and procedures manual. Why an audit committee should prepare a policy and procedure manual, I don't know; but that was the project that was assigned to us. Nancy Jones was one of my colleagues on the audit committee. She was actually on Harvey Bell's staff—a very bright lady. Nancy Jones—I couldn't tell you who the other member of the committee was—and I worked to assemble a policy and procedures manual. And as NASAA had historically operated, we gave it to the administrative staff of the Kansas Securities Commissioner's office, or one of the states—but since I was chairing it, I gave it to my colleagues on the Kansas Securities Commissioner's staff, and said, “Here's this hundred pages of manual notes, would you please type this up in some appropriate format, so that it can be distributed to the members of NASAA.” Well, that languished and languished, and nothing happened.

So I approached my wife, who was a stay-at-home Mom—a very talented lady—and said, “Gee Linda, NASAA has bought this dedicated word processor. It's sitting in the office of the Kansas Securities Commissioner. I think we can trust these guys. I think they'll be fair with you. Would you take these hundred pages of manual notes and create a policy and procedures manual out of them?” So she did. And the NASAA board loved it. And they said, “Gee Linda, that's really nice. We've got this other project. We'd like you to do this other project as well.” So there was this other project—and I couldn't tell

you what it was—but then this other project, they said, “Gee, this is nice. Why don’t we just hire you part-time? Would you come to work for us as our first employee?” So she did. Part-time. Part-time became full-time. Full-time became Linda plus another individual here in town by the name of Barbara Bramell. Barbara Bramell became part-time, then full-time. And at that point in time—probably 1982—Dwight Keen kind of pressed the issue, and said, “Gee, guys, gals, NASAA works best because we all contribute some of our resources. But I’m contributing a very significant portion of one of my staff person’s time, and I’d like the citizens of Kansas to get the benefit of one hundred percent of his time instead of some smaller fraction. Why don’t you go out and hire an executive director for NASAA, and let me get my staff person back a hundred percent of the time?”

**KD:** And he was talking about you.

**BB:** He was, indeed. So, the NASAA membership liked that, and so then the NASAA board came to me and said, “Bruce, Dwight’s kind of pushing this issue. You’ve been doing this for a couple of years, assuming these responsibilities, and would you want to come to work for NASAA as executive director?” So I did.

**KD:** Was that a tough decision to make?

**BB:** It was a very easy decision to make.

**KD:** Why is that?

**BB:** I loved the work. I loved working with the people. I thought we were doing something that was beneficial to the citizens of the states. I liked working with the regulators.

**KD:** Okay.

**BB:** I thought they were a very dedicated group of individuals. Obviously some were more enthused than others about their responsibilities, but by and large, I thought they were men and women that really cared about discharging their responsibilities. Some of them were political appointees, but by and large, they took their role very seriously.

**KD:** Were there certain states, or certain people, who tended to be more active than others?

**BB:** Absolutely. It was a volunteer organization. And in any volunteer organization you'll have people that want to assume more of a leadership role. And it was the same with NASAA.

**KD:** Did the role of the president, for example, change over time? Did the president become more active, or less, as you took over?

**BB:** Once I was employed? I think the NASAA president became very active. I think he or she—I go back to Jeff Bartell, and I really don't know Jeff very well, and didn't have the

working relationship with Jeff; but I think that the role of NASAA president—even before they had money—involved a significant amount of additional time, that the men and women that held that position were devoted to their regulatory responsibilities. And certainly Harvey Bell and his successors that I had the opportunity to work with: Mike Unger, who was the Mass securities commissioner; David—can't come up with his last name—anyway, they were men and women that cared about regulation, cared about trying to create uniformity, cared about coordinating activities between the states and the SEC. Yes they were all people that cared. And the president did take on quite a bit of responsibility.

**KD:** Before you started setting up this office, obviously, the president had all the responsibility for whatever small organization it was. Well, I want to talk a little bit about the initiatives that you were taking then, once you got the office set up. And that gets to the idea of the central registration depository. Tell me a little bit about where that came from, and how that project evolved.

**BB:** Oh, I don't know who I would point to as being the visionary. But obviously, it is probably one of the stellar accomplishments between the states, creating a centralized system. Just like we took one step by getting away from pencil and paper, and doing a replication of effort—I don't know, it might have been Lewis Brothers.

**KD:** Virginia, right?

**BB:** Virginia—that really might be the visionary that saw the need for that centralized system.

**KD:** Well let's back up a little bit, and get a sense of what the need was. What was the problem that was trying to be solved here?

**BB:** Every state was doing the same thing. Every state had their own system to try to maintain this database of who was a registered agent in their state. The licensing process—we're doing it fifty times. If I happened to be a big agent that's a big producer, happened to be registered in all states, well, I've got fifty times people are entering that person's name in their database. Fifty times that they have to—the replication of effort across the states was tremendous. And somebody recognized that there's got to be a better way. So the CRD system—that was the solution. I see it as a replication of effort problem, or opportunity to do better.

**KD:** Did this have any similar effects to the uniform securities agent exam? Did it in any way help build up NASAA?

**BB:** No, NASAA, I don't think, got any additional revenues because of the CRD. I think the fact that we saw a success, that hopefully the industry, the SEC, and the states all saw that it was a good idea to have this uniform exam. Maybe that helped spawn the idea that we needed to have a centralized registration system.

**KD:** Okay. But this was a NASAA undertaking, so this would have been an early success, I guess.

**BB:** Yes. Again, in coordination with all the states.

**KD:** Well, you're executive director; and you talked about the president's being important, and having an important role. But I do want to get a sense of how much the officers, the board members, were driving the agenda for you in your office. And how much were you able to look around and see what needed to be done, and undertake special projects, things like that?

**BB:** They provided substantial direction. I guess one project where it was really self-initiated is that Commerce Clearinghouse had the publication Blue Sky. I'm not certain that's what they called it. They had a publication about the Blue Sky laws. And we had various industry personnel that would go to these conferences, or not go to the conferences, but wanted to know what was taking place within NASAA. So, of our own initiative, we created what was called *NASAA Reports*. And it was just a loose-leaf service. And we did that for several years, simply operated it out of the administrative offices, the corporate office. And then, during Royce Griffin's term—

**KD:** Griffin?

**BB:** Griffin was the securities regulator for the state of Colorado; had been in Arkansas for a number of years, so he saw a merit form of regulation, but then went to Colorado as the securities commissioner. And it was actually during Royce's term that he inked a contract with Commerce Clearinghouse for them to publish *NASAA Reports*—they kept the same name and kept people informed of what was going on within the association. So I take some personal credit for that. Royce signed the contract, but it was because we had created the project internally, in the corporate office. There were some licensing forms that we handled out of the corporate office, distributed to the state. This was during—Richard Malgram was the Wisconsin commissioner at that point in time. I know we were very active with him. And I couldn't tell you what the licensing form was, but we mailed out lots of them. The board really set the agenda for what happened in the corporate office. They were the drivers. We were trying to be responsive, be supportive of their needs.

**KD:** And again, I guess NASAA is still using this working group, or committee system, to undertake significant projects? While you were the director?

**BB:** Oh yes. As I recall there were four sections, and each section had a variety of committees. Within the registration section there would have been a REIT committee, or a real estate committee, or an oil and gas committee; and each of those committees were staffed by five to seven members from across the nation: staff members of the various state securities commissions.

**KD:** So these were, more or less, standing committees.

**BB:** Yes sir. Most of them were. Some were formed ad hoc, and existed a year, and then maybe went out of existence.

**KD:** So you were the executive director during, I guess, most of the '80s, right?

**BB:** '82 through '87. In 1987, NASAA decided to move the corporate office to Washington, D.C. Made lots of sense. And they moved, and I did not. Linda and I did not.

**KD:** Didn't want to uproot that significantly?

**BB:** I'll just try to—I'll be noncommittal on that.

**KD:** You don't want to say negative things about Washington, D.C.?

**BB:** It had nothing to do with Washington, D.C.

**KD:** Okay.

**BB:** I'm just being noncommittal. NASAA moved, and we did not.

**KD:** Okay. All right. Well tell me a little bit about the transition that the office went through during that period of '82 to '87. Was the office, when you stepped down, significantly larger? Had its mission been redefined at all?

**BB:** Oh, in 1987?

**KD:** Yes, over your period as executive director. I just want to get a sense of—

**BB:** I think while I was affiliated with NASAA, the role expanded. The membership wanted more and more out of the staff—the corporation staff—and I think that's part of the reason they wanted to go to Washington, D.C. I mean, I think they realized that to be effective, we needed to be a player with the SEC. We needed to have stronger interaction with the SEC. How can we have interaction with the SEC when our corporate office is 1,800 miles away? We need to be in the same city. If we want to be a participant with them, we need to be in the same city where their headquarters is located. I think moving the office to Washington, D.C. made perfect sense.

**KD:** Okay. So, I guess this became apparent as time went by.

**BB:** That's right.

**KD:** Any specific incidents or specific issues that raised that problem in particular?

**BB:** I don't recall of any specifics. I mean NASAA has two large meetings a year. They have all these committees. But twice a year, they would do conference. The spring conference would always be in Washington, D.C.; and the intent there was to provide for greater interaction between the commissioners and members of the SEC, and/or the NASD, or—for those members that wanted to speak to their congressional personnel, provided that opportunity.

**KD:** Any other significant initiatives that you undertook, or that you helped move forward during your time as executive director?

**BB:** There was some recognition that our process for securities registration had significant regulatory lag. We were doing everything by U.S. mail. Graphic Scanning Corporation, at that point in time, had what you and I would call a fax machine today, but had placed a fax machine in each of the state securities commissioner's office at no cost to the commissioners. And Wayne Howell was the Georgia commissioner, and probably from a technology perspective in the early 1980s, was probably as far advanced as any commissioners. And he realized that there was an opportunity for improvement. And it didn't go very far with the NASAA membership. But just as there had been this stride made on licensing—the first step was; we came up with a uniform exam; then the CRD, the central registration depository. I mean the next logical step was to do something like that on the securities registration side. It never got very far.

**KD:** And why didn't it get very far?

**BB:** Apathy. Not everybody was as intent—I guess maybe maintaining the status quo was thought to be acceptable.

**KD:** I guess it didn't appear to be a big problem that needed to be solved.

**BB:** No. Obviously today, we realize—anybody comes from a foreign country and—Yep. I've got to deal with fifty-one regulators?

**KD:** Right. All right, so did your wife work on the staff then, the whole time?

**BB:** Yes, she was the first employee, first NASAA employee.

**KD:** And stayed in there until '87.

**BB:** Stayed through '87. Must have started maybe 1980. I joined NASAA in '82.

**KD:** How did your background as an accountant help you do this job for NASAA?

**BB:** Oh, there's a pretty strong emphasis in public accounting about organization of work papers, trying to keep things organized. You're dealing with lots of different personalities. Public accounting: you're dealing with different personalities; you're trying to develop positive relationships with people with different interests and different

perspectives. And it is somewhat diverse. So, most of it was human relations; but I'd say Dwight Keen always pointed out the strength of my personal organizational skills, so maybe that was a skill that helped. Obviously, the financial perspective: that gave some comfort to the NASAA board. They ended up having some money to invest, and of course I was responsible for that, as assistant treasurer; and they felt good about that. So, some experience in finance certainly was beneficial there. If you looked at the successors—they were looking for different skill sets. In 1988, when they moved the office to Washington, D.C., they hired a former U.S. congressman as their executive director. So they were looking for a different skill set. They felt like they didn't need—or they wanted a different focus. They wanted to be a much more active player, and wanted somebody that they thought had contacts, or the ability to influence, or at least gain access to people of power. So the focus changed somewhat.

**KD:** Right. Something of a natural progression, I guess, for groups like that.

**BB:** Yes sir. Absolutely. And I think it made perfect sense to move the office to Washington, D.C., and to try to foster better relationships with the SEC, with congressional personnel.

**KD:** Back in the late '70s, did every state have membership on NASAA?

**BB:** That's a great question. [*laughs*] Technically, yes. However, there were some states that were really not plugged in. Actually, you're aware the NASAA membership is all fifty states; Mexico, Puerto Rico, District of Columbia for three more; plus what was then the

twelve Canadian provinces and territories. So you had sixty-five members. I guess today we have thirteen. We have thirteen Canadian provinces and territories, don't we?

**KD:** Right. They made a new one.

**BB:** Right. Northwest Territory, I think, was split into two.

**KD:** Right.

**BB:** So that's the membership. And absolutely, some states were highly engaged, and there were some that didn't even bother to attend the conferences.

**KD:** Now was this a function of the kind of regulatory regime the states had? Or was it personality?

**BB:** I think it was personality.

**KD:** Okay.

**BB:** Some people felt like: Gee, my responsibility is to the citizens of Kansas, and I don't want my staff's time being devoted to projects not directly—what was perceived not to directly benefit their state.

**KD:** Did that change over time?

**BB:** Yes. Yes, it did. The stronger the NASAA financing, the stronger the revenue stream, the stronger the opportunity to participate in functions, there became somewhat of a strong desire to participate on NASAA committees. And obviously, all members—just as we're all different individuals—everybody's level of commitment to a committee was not the same. You had people that were highly engaged, and you had people that were only there for the fun.

**KD:** Mission-wise though, did the organization still have pretty much the same mission when you left as when you started?

**BB:** Yes. Promote uniformity, a pretty strong emphasis on enforcement actions.

**KD:** Anything else that we should talk about, as far as your experiences with NASAA, or with the Kansas Securities Commission? Things I've missed?

**BB:** You could go down the list of presidents of NASAA, and you could speak to each one, and they would give you a somewhat different perspective. I think Richard Latham was a very interesting individual. He was the Texas securities commissioner, was a member of the Midwest Securities Commissioners' Association. You know, he was the individual that cast the deciding vote—I guess he was president of Midwest, and only had to vote on its demise, in case of a tie; and he made that decision—realized that we have one

organization that had money, we had another organization that didn't; and everybody that was a member of the Midwest had the ability to be a member of NASAA, or they could participate in NASAA. They were members simply because of their position. So he cast the deciding vote to disband the Midwest Securities Commissioners' Association. He's a very interesting individual. You know, you could visit with each one of the commissioners and get a different perspective on what it accomplished, and how it has grown, and how it has interacted with the SEC.

**KD:** Well, that's terrific. And so, you stayed on. I guess you went into different state administration positions in Kansas?

**BB:** Well actually, the two years after NASAA moved the corporate office to Washington, D.C., I took a personal venture, and I think that there was this tremendous opportunity for a better form of communication on the registration of securities. I created a couple of corporations—privately held corporations—and sought to develop a network that would allow the members of the Blue Sky Bar to interact electronically with the fifty state securities regulators, and maintained a database of all the registration activities, all the communications that took place between the commissioner's staff and the members of the Blue Sky Bar. But it was not a success. And one of the regulators was finally frank with me, and said, "Bruce, you know, this is a great idea, although it takes all the regulatory lag out of the process, and I like that lag." Because everything was instantaneous. I mean it's just like today. I mean we send an e-mail—you send me an e-mail that I can respond to five minutes later if I'm sitting at my PC, right? So that takes

all the regulatory lag—and that’s really what the system did; it created—it eliminated the regulatory lag, the U.S. mail. And a commissioner was pretty candid with me, and said, “You know, your system takes out all the regulatory lag, and I need that regulatory lag for my staff and I to consider these issues.” So, it was not a success. But that’s okay. That’s part of life. We all take various activities and some of them are successful, some are not. And you are correct: after that, moved on to some other areas. And thankful for the current responsibilities, and thankful for the time I had with NASAA. I look back on it, and say: You know, that was real enjoyable, and I think we accomplished some things for the citizens of Kansas, and perhaps helped citizens in other states as well.

**KD:** It must have been an interesting perspective to be in there on the ground floor, and to really build it up from a virtual organization to something much larger.

**BB:** Right.

**KD:** Well, great. I’ve taken a good bit of your time, and I think we’ve covered all the bases. Thank you very much.

**BB:** No problem. You bet, Kenneth. My pleasure.

[End of Interview]