

## MEMORANDUM

December 12, 1968

To: Chairman Cohen

From: Eugene H. Rotberg, Associate Director, Division of Trading & Markets

I have the following recommendations for the Institutional Study Advisory Committee:

1. Charles Richershauser

Chuck is Counsel for the Pacific Coast Stock Exchange and is completely familiar with the current trends toward financial conglomerates. He is presently negotiating, on behalf of the Pacific Coast Stock Exchange, with various insurance companies and fund managers who now seek membership on that exchange. As you know, he has participated in several policy matters before the Commission and has excellent judgement.

2. Leon Levy

Leon is a controlling partner of the brokerage firm of Oppenheimer and Company and, of course, formed the Oppenheimer Fund. For what it is worth, he is the brightest person I have met on Wall Street. He has written on the question of the impact of institutions buying and selling in the securities markets and is about to publish a major article on this subject. His firm is probably the single most successful NYSE member firm, primarily because of its entrepreneurial corporate finance, joint venture activities. He is, thus, very likely to be aware of the relationship between the brokerage community and business growth.

3. Bob Loeffler or [blank] Sherman (the new head of Kansas City Securities, the United Funds' brokerage affiliate)

The captive funds should have a representative since they have the business flexibility to engage in several lines of business other than securities.

4. Henry Kauffman

Kauffman (and Sidney Homer, also of Solomon Bros. and Hutzler) are recognized as the authorities on the Government and corporate bond markets. They have written extensively on the question of bond versus equity growth, interest rates, and the impact of the trend toward equity investment versus bond investment on the overall productivity of the economy.

5. Bill Donaldson

Although his firm is in a state of flux, Donaldson, despite the public relations image, is very bright and can add a good young business orientation to the study. He is also very highly respected in the member firm community.

6. Milton Cohen

His abilities, responsibility and instincts are, as you know, of the highest caliber.

7. I would recommend that you choose someone from the banking industry who is completely familiar with the present trends and developments in the bank trust departments and product merchandising area. I do not know any specific individual.

8. Dave Sommers

The insurance industry may end up being the most significant factor in the markets. They should have a representative.

9. I do not know (a) whether the Bank would permit me to serve on the Advisory Committee, or (b) whether the Commission or Farrar would want me on that committee, or (c) whether I would have the time.

I will talk to you further.