

Opening the Door: Roles of Women in Securities Regulation

July 24, 2014

Dr. William Thomas: Welcome to Opening the Door, broadcast live on www.sechistorical.org, the virtual museum and archive of the history of financial regulation. I'm William Thomas, senior historian at History Associates, Inc. I'm pinch hitting for Teresa Koncick, curator of The Open Door: Role of Women in Securities Regulation Gallery, which will be permanently open in the virtual museum and archive on May 1, 2015. Tess was scheduled to moderate today's program, but is unable to join us due to health-related issues; we wish her a speedy recovery. I've been fortunate to work with Tess in conducting the oral history interviews for the Gallery.

The Open Door Gallery will highlight the role of women in two important financial regulatory agencies: the U.S. Securities and Exchange Commission, a federal regulatory agency founded in 1934, and the National Association of Security Dealers - NASD, now FINRA - a self-regulatory agency founded in 1939. From the beginning, women were significant members of staff of both agencies in the roles of secretaries, assistants and junior attorneys. Beginning in the 1970s, women began to move into leadership positions starting with the appointment of Roberta Karmel as the first woman SEC Commissioner in 1977, and culminating with the 2009 appointment of Mary Schapiro, first woman Chair and Chief Executive Officer of FINRA as the first woman SEC Chairman.

The Open Door Gallery will be the first scholarly analysis of the important roles of women in financial regulation as seen through the SEC and NASD/FINRA. The Gallery will bring together more than 500 primary materials, papers, photos, oral history interviews, programs and film to examine and illustrate the women who have made and continue to make a significant impact in maintaining fair and open markets.

Today's program will help build the Gallery by highlighting the role of women today in financial regulation. The presenters have been specifically chosen to include women who have worked or currently work at NASD/FINRA, the SEC, or both agencies and who represent a generation of women born over the 1940s the 1950s and the 1960s. I'm delighted today to welcome, in their own words:

Stacy Chittick, associate vice president of FINRA. Stacy graduated with a J.D. from Catholic University Columbus School of Law in 1994 and a L.I.M. in securities and financial regulation from Georgetown University Law Center in 1998. Following nine years of private practice at the law firms of Fried Frank Harris Shriver & Jacobson and Baker Botts, she joined the Office of General Counsel at NASD, now FINRA, in 2007. She takes great pride and derives much happiness spending time with her family including her husband, young daughter and spirited dog.

Angela Carcone Goelzer, Vice President, FINRA. Angela graduated from Harvard Law School in 1980 and has spent her entire career in Washington D.C. After working in private practice, at

the SEC, and at the Investment Company Institute, she joined NASD, now FINRA, in 2003. Following the birth of her daughters in 1989 and 1991, she worked in various part-time arrangements until returning to fulltime status in 2008.

Marianne Smythe, former Director, SEC Division of Investment Management. Marianne graduated from the University of North Carolina Law School in 1974 and moved with her husband and little girls to Washington, D.C. Since then she's held a variety of jobs at the SEC, at the law firm of Wilmer Cutler Pickering Hale & Dorr, and for a time back at UNC Law as a professor. She is now doing expert witness work and deriving pleasure from being the grandma to five exceptional children.

Thank you all for joining me here today. Our program will be an interactive one with each presenter sharing their thoughts on the discussion areas. Let's begin with Marianne. How is it that you first became involved in law and how did you choose your educational path?

Marianne Smythe: My decision was a made because I had wanted to be a doctor, but couldn't get into medical school in the late '60s in Chapel Hill. I'd applied to medical school, couldn't get in. I knew I had to earn a living somehow. My husband was and is an environmentalist and I felt I needed to earn a living so I ultimately applied to and went to law school at the University of North Carolina Chapel Hill.

Dr. William Thomas: Angela, how about you?

Angela Goelzer: I have to say that at the age of 16, I somehow got it into my head that being a lawyer would be a fine thing for me to pursue. Although at the time I think I had very little idea of what being a lawyer involved. In college I majored in political science, as so many people do when they intend to go to law school though, it's absolutely not necessary to be a poli sci major. I was lucky enough to be accepted to Harvard and was delighted and it has turned out be a good choice for me because I enjoy analysis. I enjoy writing and that's a lot of what being a lawyer involves, but I have to say at the age of 16 when I put myself on this path, I did not know those things so there is some luck involved there.

Dr. William Thomas: Stacy?

Stacy Chittick: I was actually younger than Angela when I made my decision to pursue a path in law. When I was in 8th grade, we were asked to write a research paper on "what do you want to do when you grow up?" I had a neighbor who was a lawyer and I thought litigation sounded fascinating and that was the topic I selected. The only time I really waived in terms of my educational choice was post-college. I didn't know whether to pursue my JD or an MBA and I was convinced by others that a JD would be flexible and I would be able to use it in any environment so I was encouraged to take that path. I don't know what would have happened if I had taken the other route and followed a career in business.

Dr. William Thomas: Let's talk a little bit about your experiences as women in the law profession or even earlier in law school. How was that for you? Why don't we go in the reverse order from what we did before? Stacy?

Stacy Chittick: Frankly, my experience during law school was miserable. I was an evening student. I worked full-time during the day and I attended classes, usually two classes a night for

four nights a week, and then would go home at 10:30 at night to eat dinner and study for the next day. So I had very little sleep and it was very challenging for me. I did not enjoy law school. I have found the practice of law to be a lot more enjoyable than my experience in class. I'm surprised I survived all four years.

Dr. William Thomas: Did you, as a woman, find that that impacted your experience in any particular way?

Stacy Chittick: I don't think so, not necessarily. Having talked with Angela and Marianne in preparing for this, both of them have had a lot more and different experiences than I did, but no, I did not.

Dr. William Thomas: When were you in law school?

Stacy Chittick: I was there from 1990 and graduated in 1994.

Dr. William Thomas: Okay. Angela?

Angela Goelzer: I both liked and disliked law school. I think my first couple of weeks I was absolutely terrified because the professors at Harvard used the Socratic method and they are quite merciless in their use of it. I think I had a headache for the entire first two weeks of law school. As it turned out, I was called on by two professors in a row one day and suddenly it was "Well okay, I didn't fall flat on my face, this won't be terrible." It got better from there, but law school was pretty grueling. The students were fairly competitive, to put it mildly. I would have guessed that women made up at least a third of my class, but I went back and checked and we were only about 21% of the class of 1980 compared to, I was chatting with Elisse Walter about this, she was class of '74 at the same law school and it was only 9%. But I did not ever feel as if the professors looked askance at the female students nor did I feel that my male classmates had any preconceived notion about "women don't belong here." The experience, though stressful was, in the mean, a positive one for me.

Dr. William Thomas: Marianne, what was your experience?

Marianne Smythe: First, I almost didn't get into law school. We were living in Chapel Hill. We'd been living there for four years when I applied to law school and I was rejected. I was rejected because the law school said I was a non-resident. We were living there. We actually owned a little house. Our daughter had been born there; we paid taxes there. But when we'd come to Chapel Hill, my husband had gotten a graduate fellowship. The law school said that since we'd come when we were non-residents and my husband was not technically a resident, my residence followed his and I was not a resident. We called up the head of the ACLU in Chapel Hill who happened to be a professor at the law school and about an hour later I got a call saying I was going to be admitted to the law school.

Angela Goelzer: Good for you.

Marianne Smythe: I got in. I was not raised to say nice things about myself, but I will say I was second in my class at the end of my first year. The dean was very gracious about having originally decided that I wasn't fit for law school. In my first year itself and throughout law school I had a good experience. The Socratic method which Angela mentions was what

happened at my dinner table at home every night. I grew up in New York City. I grew up in an environment where every night at the dinner table somebody would say something and somebody else would challenge it. So I was comfortable with that and I enjoyed that. They were only 30 women in a class of 350. The year before me, there were nine in a class of 250; the year after me, there were 60 in a class of 250. So the parabola was moving upward, but I didn't feel being a woman once I was admitted was a particular impediment at all in law school.

Dr. William Thomas: Could you tell us a little bit about how you got involved with securities regulation?

Marianne Smythe: Between my second and third year of law school, I was a summer associate at the firm of Mudge Rose Guthrie and Alexander in New York. They had a very good securities department, municipal bond department. The problem was that Attorney General John Mitchell had been the head of that department and this was the summer of '73, the summer of the Watergate hearings; Attorney General Mitchell and President Nixon were in the spotlight for that. When I went to Mudge Rose I was put in the trusts and estates department where the only other woman who was an associate was put. We were not given an option to go into the securities department and I didn't know what a securities was, frankly. My parents were not wealthy. My dad was a high school math teacher. They didn't have a dime and if they've had it they wouldn't have invested in securities. But I knew I wasn't wanting to do trusts and estates and worry about the money of some rich guy I didn't care about. Nobody would go into the muni bond department because that had been Mitchell's department. So I raised my hand and said, "I'm happy to go in there! I'm a liberal Democrat. Whatever goes is going in Washington isn't catching. I'm happy to go into this department." I absolutely feel in love with securities law. Went back to law school my senior year, took securities law classes and became a securities lawyer, but it was really kind of an odd way of getting there.

Dr. William Thomas: How does that reflect your experiences, Angela?

Angela Goelzer: Securities law for me was an acquired taste. In law school I was fortunate enough to have Louis Loss as my professor and he was terrific, but I didn't care for it. I would often say, I don't know what I'm going to do when I get out, but I am not going to be a securities lawyer. I don't like it; I'm not going to practice in that area. I didn't go to the SEC right after law school. I was with a law firm and was quite unhappy there for a number of reasons we may get into ...

Marianne Smythe: Did it have to do with your being a woman?

Angela Goelzer: Yes, some of it did have to do with that as a matter of fact.

Marianne Smythe: In what ways?

Angela Goelzer: Some of it had to do with being a woman. Before I say that, some of it also had to do with the fact that at this particular firm, I didn't feel as if I was getting any particular training in any area. I wasn't in a group. I wasn't learning any skills, which was very frustrating. The firm, which was a midsized firm, had very few women. A classmate of mine in law school and I were the second and third women to join the firm. There was one other female associate. I never had the feeling that they thought because you are a woman your work won't be as good. It

was more that they are not going to hang around. In fact, it was reported back to me and my law school friend that one partner had said, oh as soon as their husbands can afford the mortgages they'll quit. They won't be around. We were called jokingly at times "the lawyerettes."

Marianne Smythe: Lawyerettes?

Angela Goelzer: Lawyerettes. When I first joined the firm, don't ask me why, for some reason I had it in my head that I wanted to be a tax lawyer. Nothing against the tax lawyers who may be listening, but I'm glad I'm not a tax lawyer. It wouldn't be my cup of tea. I was told apologetically by some of the younger partners, "Oh well you know the head of the tax group," who was this crotchety old fellow, "doesn't want to work with women and so we are not going to put in the tax group." Some of you listening may think, "Well, why on earth would she put up with that? Why didn't she raise a ruckus?" But you have to remember a generation earlier, when Ruth Bader Ginsberg graduated first in her class at Columbia Law School in 1959, no one would hire her. The same was true for Sandra Day O'Connor, Janet Reno, Patricia Schroeder, Geraldine Ferraro. 1980, at the time it seemed a life time away from those years, but it really wasn't so far from that. Somehow I just thought well okay, shrugged my shoulders and went on with it. One day, fortuitously another female associate got a call from a buddy of hers at the SEC and said "Hey we are looking for people just a couple of years out of law school. They don't have to know anything about securities law." I thought, oh I don't know, but I went over and spoke with them and it sounded great and that was it. I went to the SEC and I loved it. This was in the mid 80s when the morale was fabulous. The SEC has had a hard few years I think we can all agree on. There were women in senior positions. No one questioned whether you would be around in a few years. It was a completely different atmosphere and I was learning things. It was a revelation to me. I loved it.

Dr. William Thomas: I want to talk a little bit more about the environment at the SEC and places like NASD, now FINRA, but first let's get Stacy's story.

Stacy Chittick: My path to securities, I was a little bit more directed. In college I studied marketing and finance and in the later 80s it was a big boom for mergers and acquisitions. I was convinced that I was going to go to law school and enter the field of M&A work. Once I was in law school, I took some securities classes and I really enjoyed the Exchange Act and the cases and the stories being told about frauds and what was going on in the broker dealer industry.

Marianne Smythe: Fraud is so much fun, isn't it?

Stacy Chittick: The stories about how things would transpire just caught my attention. So I went from wanting to be a transactional attorney to actually working in the field of broker-dealer regulation and enforcement. I'll be the first to admit, graduating law school, I did not have the best grades. I was not number two in my class.

Marianne Smythe: I wasn't at the end of law school, just at the end of my first year.

Angela Goelzer: What were you? Number three?

Marianne Smythe: Five.

Stacy Chittick: The job market was not that great in 1994. So I had to work hard to break into the industry. Professor David Lipton at Catholic introduced me to the right people at the NASD and their market regulation department.

Marianne Smythe: Lipton is a great guy.

Stacy Chittick: He is. I started off conducting insider trading investigations and reviews. I did that for 13 months, moved over to the enforcement division and I worked on a very large case involving the sales practices of variable appreciable life products while doing all of that pursued my L.I.M. at Georgetown. Upon completing that, where I did actually work harder and graduated with distinction, took advantage of the opportunities and relationships I had established at Georgetown and found myself in a very fortunate position of an associate job at the law firm of Fried Frank, working under the leadership of Harvey Pitt. I was very fortunate to go there because it was just a great training ground. I was there during its heyday for securities regulation.

Marianne Smythe: That's great.

Dr. William Thomas: Let's talk a little bit then about the environment at places like the SEC and NASD. Which women were there? Who served as role models? It could be a man or a woman or somebody who actively mentored you. Marianne, why don't we start with you?

Marianne Smythe: Why don't we go in reverse again?

Dr. William Thomas: That's fine. Stacy, let's continue on. You already talked a little bit about the law professor who helped out at the beginning, so why don't we continue again from there.

Stacy Chittick: I'll start back at NASD. I had started at NASD in the insider trading review group in March of 1996 and just a few months later, August of 1996, is when the SEC issued its 21(a) investigatory report against NASD. There was a big reorganizational structure of the organization, whereby the organization broke out the NASDAQ stock market into one subsidiary, dispute resolution into one subsidiary, and regulation into the third subsidiary. Mary Schapiro was brought on to head up the regulatory organization. I still remember to this day her coming and speaking to us in our Rockville offices and she was new to the organization. She was a woman, she was a leader and she was also pregnant and that was very influential for a young woman who was starting her career in this industry. That was wonderful. She was definitely an inspiration at the time.

Angela Goelzer: For me there absolutely were so many role models. When I joined the Commission, people like Elisse Walter, who was an Associate General Counsel; Linda Feinberg, an Associate General Counsel. Elisse went on to become a senior executive vice president at FINRA and she also served in senior positions at the CFTC and became a SEC Commissioner and was Chair of the SEC. Linda Quinn was head of Corporation Finance. Kathie McGrath was director of the Division of Investment Management. Again, luck played a role. When I got to the SEC, I thought "Well, securities law is quite interesting. I was wrong." But I don't know what they do in Investment Management and I don't think I want to find out. But after I had been at the SEC a few years and I was legal counsel to one of the Commissioners, Lindy Marinaccio; when he left I was trying to figure out what I wanted to do. Going into private

practice didn't appeal to me. Linda Quinn was terrific; she said, "Angela I'm going to tell you something, you should consider Investment Management." I said, "Really? Mutual funds and investment advisors?" So she said, "That area is going to explode. I'm telling you. You'll love working with Kathie McGrath," and that was wonderful advice. I went and spoke to Kathie McGrath who became a wonderful mentor for me within the division and was incredibly supportive in allowing me to work part-time when my first child was born in 1989. I would be remiss if I didn't also mention Marianne became division director after Kathy McGrath and was also a fabulous role model for the women at the Commission. They were so many others I'm forgetting to mention, Aulana Peters.

Marianne Smythe: Aulana Peters, oh my goodness.

Angela Goelzer: She is just a wonderful, warm, intelligent, fabulous person. Mary Podesta and so many others.

Marianne Smythe: Mary Joan.

Angela Goelzer: Mary Joan Hoene and others, but it was just a completely different environment where it seemed just assumed, well yes, young women often have babies. Hey it happens and it happens to female lawyers and you just get on with it.

Dr. William Thomas: I want to come back to this question of developing a family life and balancing that with a career and the opportunities and barriers that are available, but I want to continue on with just the general situation in securities regulation.

Marianne Smythe: When I graduated from law school in '74 and went to Wilmer Cutler, I think it's fair to say there weren't any women role models. I worked with the former Chairman of the SEC, Manny Cohen, who was extremely supportive. I never got one whiff of a hint that he had any issues with dealing with me. In fact, if anything it seemed to me he leaned over backwards to give me good assignments and to be supportive and his colleague and partner, Art Mathews, who is also an SEC alum, was just terrific to work with. I found working at Wilmer to be exciting, interesting, but not necessarily compatible with raising small children. My daughters then were, when I started at Wilmer, ages four and one. I felt after a couple of years that I really couldn't do that. Manny made a private placement of me; he called up Stanley Sporkin and I would have found myself with the SEC in the Enforcement division and again there were not any female role models at all. There was a wonderful colleague I had there and I have been out of touch with her for a long time, Debby Hechinger, who was another really incredibly good staff attorney. There were women there, but there really weren't any in senior positions, certainly not in the Enforcement division. I ultimately didn't think that being a woman in the Enforcement division was a tremendous advantage. I was fortunate that one of my branch chiefs Tom Lochran, may his soul rest in peace, he died way too young; in the mid '90s, Tom and I started working together. He moved to Market Reg, took me with him. He became an assistant director, promoted me to branch chief and so I started up the promotion chain there. Meanwhile, as we mentioned, Roberta became a Commissioner so we actually had a woman as Commissioner. She was a fearless outspoken good role model for "You don't have to be sweet in order to be successful," which is good because I am not that sweet, never was.

Angela Goelzer: I'm curious Marianne when you were first at the Commission – and I understand it sounds as if there were not - there were few female attorneys Commission-wide, the female professionals.

Marianne Smythe: Very few, right.

Angela Goelzer: Did you feel that Commission-wide or did you have the sense that it was harder for them to be promoted?

Marianne Smythe: I think there were few of us and I think it was harder. Part of it is there were so few of us. I mean again the explosion and the presence of women in law schools started in the mid '70s. When I went back to Chapel Hill to be a professor in 1981 - this is a school that in 1974 had 30 women out of 350 - when I went back there in '81 it was almost 50/50 women to men. The sheer numbers were going to make a difference, because the more you have in volume, the more you're likely to have in quality and in ambition and in just opportunity. But I didn't feel when I was there that there was necessarily discrimination against women so much as there were so few of us. I did feel in the Enforcement division that there was a little bit of a tilt towards the guys. I mean I really did feel that. I didn't like the feeling, but I did feel it.

Angela Goelzer: When did you start at the SEC again?

Marianne Smythe: I started in '76.

Angela Goelzer: It does seem that when I went to the SEC in '83 and so much must have changed in that time period because when I first arrived there were a lot of women including some in senior positions, so a huge change in a relatively short period of time.

Marianne Smythe: Right because the numbers – just the population pressure had changed things and the SEC, I mean I loved working there in the 70's. I just loved it and when I went back in '87 to '93 I just loved it. It was the best place I ever worked. Sorry, Wilmer you were a wonderful firm, but the SEC was really the best place I ever worked, the sense of camaraderie, the sense of working in the public interest. But it was a very different place by the time I came back in '87. Linda Quinn alone could have lead us a small army over the Alps; she was unbelievable.

Angela Goelzer: She was a force.

Marianne Smythe: Elisse and Aulana and the listing goes on...

Angela Goelzer: And Mary Schapiro.

Marianne Smythe: And Kathie. I owe Kathie everything.

Angela Goelzer: As do I.

Marianne Smythe: It was a very, very different place by the time I came back in '87 and you saw it in '83, but when I left in 1980, the change had not yet really started to occur.

Dr. William Thomas: Stacy what was it like coming up in the NASD through the ranks in the 1990s? We've talked a little bit about Mary Schapiro and Elisse Walter coming in at the same time.

Stacy Chittick: I don't know if you can say I necessarily came up through the ranks back in that time. There were a lot of us who were attorneys, who had JDs and other professionals with MBAs and advanced degrees who were working in the lower levels as staff, conducting examinations and investigations. We didn't have the title "attorney," but our work was very similar to that of a staff attorney at the SEC. We always analogized it to that and there were so many of us and we enjoyed our work, but personally at the time, we didn't think that we could advance from where we were. A lot of us had very large amounts of law school debt and we needed to find alternative paths to advance our careers. So at that time a lot of us left and either moved over to the Commission in the OCIE, into Enforcement, into Market Reg, as it was at the time, or over into a larger law firm. We all went different directions and so I left NASD for a period of nine years and worked in private practice and learned a lot.

Marianne Smythe: Did you pay back your debt?

Stacy Chittick: I did, I fully paid off my debt. But they were long hours and it was a rewarding career, but very challenging and I think I've made a lot of sacrifices in terms of my personal life. So in order for me to get to where I was today after nine years of either representing clients before NASD or even working with the Office of General Counsel at NASD I worked with John Flood and Grant Callery very closely during my tenure at Baker Botts. I developed relationships with them and I was very fortunate that at the time that I was having my child, two different positions opened in OGC and they both approached me and said, "We'd like you to come join us here." I was very fortunate to be able to return to the organization at a more senior level and continue to work within an organization that I treasure very much.

Dr. William Thomas: I'd like to talk a little bit more about the question of raising families and being a professional. Angela, you managed to be in a part-time position arrangement for quite some time. Could you tell us a little bit about how that experience worked?

Angela Goelzer: I've had so many different part-time arrangements. I was part-time from when three months after my first child was born until about six years ago. I think what made it work for me generally was that I was available to do the work when it needed to be done. You have to accept obviously less salary at times, but not always. You may accept less interesting or sort of a whirlwind of this is all going to be done in two weeks and everything and that can be fun short term, but I think I always made sure I had time built into my schedule in terms of child care coverage where, if there was an emergency, I could cover it. I think that's what made part-time work for me. I had three days a week. I had four day a week arrangements. I had some arrangements where I was four shorter days a week, you name it.

Dr. William Thomas: Were these arrangements pretty novel when you started to work them out or had other people done that before?

Angela Goelzer: I don't think I could say I was a trail blazer in that regard, but to some extent perhaps they were fairly novel. Certainly Kathie McGrath, who was great after I had my first child - I thought it would be best family-wise and it was and I was very fortunate that I could spend more time with my children - said, "Well I really would like you to come back." She worked out a nice part-time arrangement for me. I held that until my second child was born and then the Investment Company Institute. Again, another woman, Kathy Herran, with a nice shout out to Kathy Herran, who was a wonderful person and we had worked on a few issues together.

The ICI, the trade association for the mutual fund industry, called and made me a fabulous part-time offer. This is when I was eight and a half months pregnant and it sounded good so I did that. Then I made the mistake of going into private practice on a part-time basis. Not a good move. It's really almost impossible to bill enough hours on a part-time basis and, but then, like Stacy mentioned, I had over the years developed contacts at NASD. I knew Mary, I knew Elisse, Tom Selman I had known from SEC and from the ICI. I was sitting there in my office thinking "This is just not working. I'm not enjoying myself." The phone rang and it was Tom and I ended up going to NASD and lots of strong women there and Tom didn't blink an eye at the idea of me being part-time. But the way I made it work, if someone needed me, I would work on the weekends. It was often easier for me to work on the weekends than to stay past 6 o'clock if I had a nanny to get home to. So you just try to never disappoint the people you're working with or make them take on more than their fair share of the work. But it can be done. You can make it work.

Dr. William Thomas: How did women fare ten or so years earlier? How did they work this out to the extent that they did and yourself in particular?

Marianne Smythe: I left Wilmer in '76 to go to the SEC after two years because I couldn't do the hours. I mean 5:30 would come around and I'd need to go home. I had two little children at home and I just couldn't do it and I went to the SEC and even there in the Enforcement division although I really enjoyed my experience, I could be sent on a case to Pittsburgh for a week and my mother in law or my mother would come down to pitch in. I ultimately got into a division which didn't send me anywhere which was what I wanted. But there was a lot of juggling in those days. There was just a lot of juggling, a lot of backing and filling. I look back on my years when my children were small and I was trying to work full-time because I needed to work full-time and I don't look back on those years as being tremendously happy years. I mean there were sufficient years and again I love the SEC. Tom Lochran, my boss there, couldn't have been more accommodating. It's not just women who can be accommodating in these circumstances.

Angela Goelzer: Absolutely.

Marianne Smythe: But I think it's very hard to do what many, many women do which is to be mothers and to work full-time especially when the children are small. So my hats off to every one of them who somehow does it and manages it. As Angela says, does it in a way which doesn't have a negative impact on colleagues because if you're relying on colleagues to fill because you have to go to a school play, the colleague might not to be so happy with that.

Stacy Chittick: It's not fair.

Marianne Smythe: You have to be cognizant of all those dynamics and it's not easy. I don't think that we have yet in this country come up with a way of addressing childcare needs that truly answers the question and fills that void.

Dr. William Thomas: I'd like to ask about the topic of discrimination and the forms that that can take. You can answer based upon your observations or if you like from your own experiences, but I'll leave that open to whoever wants to address it.

Marianne Smythe: What do you mean by discrimination?

Dr. William Thomas: How have women been discriminated against, how have they been made to feel uncomfortable or unwelcome in securities regulation or in the law profession in general.

Marianne Smythe: I'll just say I don't think they were discriminating. They just assumed that women were going into trusts and estates. It wasn't discriminating once I raised my hand and said, "I'll be happy to go into the muni bond field." They were actually doing the financing for the Meadowlands; I couldn't believe how interesting it was. But I think there were just assumptions more than discriminations. There were assumptions. These are the fields that are appropriate to women. These are the expectations we have for women. Either they are going to be not interested in really truly working part-time or, as Angela said, they are only going to work until the husband pays off the mortgage. So I think there were simply assumptions about the level of our commitment and the rigor that we would bring to the professional side of our lives. I never had anybody tell me or they told Angela that this tax guy doesn't want to work with women. I would have wanted to call up his wife and say "You poor thing!"

Angela Goelzer: I did have a lot of sympathy for his secretary. I guess I would say except for that incident which probably was a lucky break for me, but at the time obviously it was completely unfair and totally based on gender. No I can't say I've ever been discriminated against, but I would agree with what Marianne said. It was more that...

Marianne Smythe: Underlying assumptions.

Angela Goelzer: It was the assumption, "Come on, she's not here for the long haul." I guess because they had so little experience with female lawyers; it's hard for human beings to adjust to change.

Marianne Smythe: The idea of women being there. The idea of women populating those places was just not part of their consciousness.

Stacy Chittick: I can't say I've ever faced overt or direct discrimination. I think that I've been lucky in the sense that your generations were the trailblazers and as I was coming up my bosses or supervisors who are from your generation had wives or daughters and they could be sensitive to the fact that, we've seen our wife and daughter experience this and it's not fair so we want to treat everybody a little bit more equally.

Angela Goelzer: I would just like to point out I'm only 10 years older than you.

Stacy Chittick: I know, but there has been a lot of changes as we've seen in 10, 20, 30 years.

Angela Goelzer: I'm only kidding, but you're absolutely right. I think the changes just in the nine years from when you started at the SEC it's incredible how much change there.

Stacy Chittick: Very different. However, there are still perceptions that we as women experience whether it's the glass ceiling and it's harder to advance to the next level or the other phenomenon beyond discrimination of the "queen bee phenomenon," where leader women are not supporting other women as much as we might hope that they would. So there's other experiences out there that we've all endured. They change over time.

Angela Goelzer: I think that queen bee comment is an important point. I would also say and perhaps this isn't the most politically correct thing I'll ever say, but whether by choice or because they find it thrust upon them, women still tend to bear most of the child rearing responsibility.

Marianne Smythe: They certainly do.

Angela Goelzer: It's true and in my case it absolutely was by choice and in other cases I've certainly known of where the woman just had to step up to the plate because the husband wasn't going to do 50%. Perhaps that's changing in your age group, Stacy, and in the future, but I think that for a lot of women my age that's just the way it often was.

Marianne Smythe: It's a biological truth that women do have a nine-month commitment at a minimum to bringing a child in the world and it's a very overrated experience in my view, but it is definitely a means to the end.

Dr. William Thomas: Let me ask a little bit about your experiences with younger women in the field do they still look to women as role models or mentors? Is there that requirement, what are your impressions of their experience.

Angela Goelzer: I'll jump in. I was sitting at my desk a few months ago, thinking some sage thought about something, no doubt, and a young women in our legislative affairs office stuck in her head and said "Would you be willing to have lunch with me some day?" and I said "Sure!" She said, "I just want to get your perspectives on being a female lawyer here." I was just so touched and I was just delighted to share whatever meager wisdom I had to share with her.

Marianne Smythe: Let the record reflect that if Angela were a male she would not be referring to her level of wisdom as meager.

Angela Goelzer: Marianne, you're right, that's another thing I agree, women tend to be much more self-deprecating.

Marianne Smythe: They are.

Angela Goelzer: Absolutely, yes.

Stacy Chittick: Absolutely and I agree. I do think that younger women do still seek out older women for their experiences. FINRA does offer an informal mentoring process. I was asked just about this time last year to serve as a mentor to a younger woman in the organization. We meet periodically and I feel like I'm learning as much from her as she might be gaining from my 'meager' experiences. But I think women do still look for those roles models. I also think, based on all the panels that I go to where they talk about women in the workplace and leadership, is that the idea of mentoring is morphing into now what they now call "sponsoring" or instead of finding somebody from which you can learn something, you find somebody who will help promote you and advance you throughout the organization or in your career and speak you up in the room or at the table.

Marianne Smythe: I think certainly women play important roles. In my day, it was role model, then it morphed into mentoring and now it's sponsoring, but it's basically the same idea of people who've already been there, gotten there helping younger people. I'd also like to just put in a nice word for the evolution and the thinking of men as I've mentioned. When I started at the SEC it

wasn't unusual for me to be called "sweetie" which is a term that I don't associate very readily with myself, but I had to accept as part of the way some older men refer to younger women professionals: "sweetie" or "honey" or God knows what. My Chairman at the SEC when I became Division Director, Richard Breeden, was absolutely gender blind. "Deliver or shut up" was basically his view. So I think things have changed a lot in a lot of areas. Now not all and because of the childcare imperatives and the home life; it's not just childcare. Women have eldercare. They are the caregivers generally of their families. The guys would go for a drink at the Dubliner in the evening; I couldn't go. I don't drink anyway, but I could have had a coke or something. I couldn't go and I don't know whether it's still so much the case that guys will go out and play golf and leave the women behind. I don't know if that kind of extra office socializing still takes place to the degree it did when I was young, but that's a factor affecting women.

Stacy Chittick: I think it's interesting that we can identify a lot of women leaders in regulation. However, all of us have mentioned men who have helped us in our career.

Marianne Smythe: Oh yes.

Stacy Chittick: Whether it's Breeden or Art Mathews or Tom Selman. For me I had Jim Doty. I had Brad Bennett, Grant Callery, John Flood, all of them very pivotal in helping me advance through my career, but it's been men who have been helping us.

Marianne Smythe: Men and women both. But I will tell you having the Linda Quinns and having the Aulana Peters and Kathie McGraths there, everybody is making the trail broader and easier.

Angela Goelzer: I would like to get back if we could for a minute to what you and I had a little exchange about women tend to be self-deprecating.

Marianne Smythe: Yes.

Angela Goelzer: When I was with a woman who is still a dear friend of mine today, we talk every day, my law school class mate and we went to the same law firm. After a few months we noticed that if a partner asked us a question we would answer quite honestly. As in, I don't know for sure, but I believe the answer is ABC. The men invariably would say the answer is XYZ. They were more assertive and I don't believe you should say that X is the answer unless you know for sure it's the answer, but we definitely noticed that the men were more assertive and that we needed to not downplay what we knew. The reason I bring this up is because I was dismayed in just Googling around preparing for this program a study put out by Harvard that shows that women in the law school are far less likely than the men to volunteer in class. I don't recall that and my recollection may be wrong. So I worry that that's still a phenomenon. So the advice I give women is, if you're sure of yourself, speak up or if someone says "This is how we should handle this situation." and you think, "Well wait a minute, there is something else we should consider," speak up. Don't be afraid of being wrong.

Marianne Smythe: If you're not sure but you think the answer is ABC and some guys comes in and says it's XYZ and he's wrong, where I see women being self-deprecating is not so much in

admitting to a lack of assurance about the substance of something because that's what lawyers do.

Angela Goelzer: It does seem you should be honest.

Marianne Smythe: What I got on some of the women at Wilmer when I went back in '93 now much later so I am now old and a sage when I go back, the younger woman would come in and say, "I'm not sure I can do this", but that's what I got them on. A lack of confidence in their ability rather than a lack of knowledge. A lack of knowledge I'd respect.

Angela Goelzer: And their ability to handle a particular assignment? Really?

Marianne Smythe: "I'm not sure that this is something I'll be able to do, but I think..." Then the guy would come in and say "Give me the ball, I'm taking it to the basket." That's where I saw the difference and I absolutely think women bring a positive thing to the profession when they admit not to knowing.

Angela Goelzer: I agree.

Marianne Smythe: But when they say "I'm not sure I can handle this or this might be a little bit more difficult," that's where you want to encourage them to say, "Give me the ball. I'll take it."

Angela Goelzer: I agree, I think you're right, but looking back I think it took me a while to get to that point. I had to learn to think: so what if people look at me as if I have six heads and the comment I make is crazy?

Marianne Smythe: Right.

Angela Goelzer: You've got to say what you've got to say.

Dr. William Thomas: Is that your experience, Stacy, that women have different expectations for how they should behave than men?

Stacy Chittick: I don't know if it's expectations, but I think our personality does tend to show a little bit of hesitancy. The one thing that I always cringe at is when a woman is at a table and apologizes for asking a question. "I am sorry for not knowing this." or "I'm sorry for even having to ask this question." I cringe every time I hear that.

Angela Goelzer: That's a very good example.

Stacy Chittick: I know when I was younger, especially in the law firm environment where I felt like everybody was cut from the same cloth, was that I would assume that if something was obvious to me it would be obvious to everybody else in the room and I would be reluctant to speak up or say anything. Now that I'm in a corporate environment and I'm the lawyer on the team and I'm advising business people I find myself like "Okay no, I am the expert here," and I've got that greater confidence where I can speak up.

Dr. William Thomas: In the couple of minutes that we have left what's the number one thing going forward that we should be on the lookout for. Stacy, why don't you start then we'll go back around.

Stacy Chittick: Let's start with Marianne on this one.

Dr. William Thomas: Whoever wants to jump in?

Angela Goelzer: That's a pretty broad.

Stacy Chittick: It is.

Marianne Smythe: I absolutely don't have a clue. The number one thing that we should be looking for going forward beats me.

Angela Goelzer: For women in the legal profession.

Dr. William Thomas: Exactly.

Marianne Smythe: I think you brought us all to silence. I mean it's an evolution. It's a progression. Women are continuing to come into the field. They comprise a majority of the people in many law schools. Women are going to be part of the profession. I suppose the one thing I would look for is that when women tend to populate and dominate a field it tends to get discounted. It's just a fact of life. I wouldn't want to see that happen in the legal profession simply because there are mere women now populating so many of the roles. You can see the migration over to science or to tech fields where men dominate and women are now in the legal profession. The legal profession is a very important profession and the fact that we women are now the substantial part of it should not in any way diminish its importance. So that's what I would look for.

Angela Goelzer: And yet still only about 14% of the equity partners and firms nationwide are women.

Stacy Chittick: It's hard to predict what's going to happen. I mean the roles of women and with the younger generation the roles of men in their family participation is changing, but the legal profession and landscape is changing. Fewer people are going to law school. The way large law firms operate is changing. There is just so much.

Angela Goelzer: And with the change in use of the Internet, the fact that more work can be done at home, there is opportunities for more flexible work arrangements. I hope that there is never a backlash against the idea of part-time when it's necessary.

Dr. William Thomas: We are coming to the close of our program. So I want to thank Stacy, Angela and Marianne for a great discussion. Today's broadcast is now permanently preserved in audio format in the virtual museum and archive; an edited transcript will be added later. This program will be an important addition to The Open Door: Roles of Women in Securities Regulation Gallery. I would like to thank those institutions and individuals who have generously given to the development of the Gallery. I encourage you all to visit it when it permanently opens in the virtual museum and archive on May 1, 2015. Thank you for being with us today. Good afternoon.