



REFLECTIONS ON FINANCIAL MARKETS RECOVERY FOLLOWING SEPTEMBER 11th*

Harvey Pitt

SEC Chairman (2001-2003)

"The perpetrators thought that they could take down our financial institutions and cripple American capitalism. Theoretically, I suppose they could have succeeded, but the reality was that they really couldn't have ever succeeded. The tragedy produced a great outpouring of compassion and common sense. And rather than turn a crisis into some sort of competitive or political advantage, the securities industry, self-regulators and local, state and federal government bodies all came together."

"In the wake of September 11, this extraordinary level of cooperation really took on almost unimaginable dimensions. The New York Stock Exchange opened a portion of its floor to accommodate trading and equities and Exchange traded funds by the AMEX. In less than a week the entire options business of the AMEX was moved to the Philadelphia Stock Exchange. And brokerage firms that prior to September 11th were looking as they should have been for every conceivable advantage over their competitors afterwards were providing space to competitors who had suffered as a result of the attacks. In a sense the most competitive markets in the world demonstrated that they were also the most compassionate."

"There were some who felt that the markets should have reopened immediately. Of course the truth which can be told now was that they couldn't. More importantly we were terribly worried that if the markets reopened and then collapsed we would never regain investor and public confidence. And that meant that our goal was to get the markets to reopen as quickly as they could, but not a moment sooner than reasonable assurances could be provided that once they reopened they were likely to stay open."

"Nine-eleven is a paradigm of how a crisis could and should be handled, and how we benefit from history, reminding us of what went wrong, but also what went right."

Annette L. Nazareth

SEC Director, Division of Market Regulation (1999-2005)

SEC Commissioner (2005-2008):

"We were able to achieve things that, as a government agency, no one ever thought was possible, really cutting through red tape and facilitating resolutions. I think the message from the very top was that we were to do everything we could to engage in outreach with the markets, with industry participants and with our fellow government agencies, and do everything that we could, to further what was our national mission at that time: to restore the markets and restore investor confidence."

“There’s no question that September 11th was a very difficult time for all. But I would say that everyone I worked with during that time really stepped up to the challenge, and had a commitment not only for themselves and their organizations, but really for the nation as a whole as well.”

Wayne M. Carlin

Regional Director of SEC Northeast Regional Office (2000-2003)
Recipient of Chairman's Award for Excellence in Recognition of 9/11 Crisis Leadership

“We really had a monumental task in front of us. We had no office, no files, no computers, most abhorrent to a bunch of lawyers - no documents. But it really didn’t slow us down at all, because a lot of people stepped forward – a lot of them, on their own initiative, people from senior levels, people from junior levels – to do whatever they could do to get us going again. Groups of staff met in people’s homes and in people’s apartments.

“We never really lost the Northeast Regional office of the SEC. We lost a physical location, and we lost some objects. But the office, which was the people, never missed a beat.”

Edward A. Kwalwasser

Former Group Executive Vice President of New York Stock Exchange

“[After 9/11] we built a system so that we could actually find out where our people are if we need them. And we built a security system, so that they could get in. We found a telephone was not an adequate way to get to people, or for people to get to the Exchange to find out what’s going on. So, the Exchange built a secret Intranet that its employees could use specific codes to get into that, so that the Exchange could reach those employees and the employees can reach the Exchange. And that was extremely important. The Exchange also built a dual trading site. Somewhere out there in this world there is another place that, if the building at 11 Wall went down, specialists could go and trade and all stocks could trade and all members that are currently on the floor could go to that space and trade there.”

Thomas A. Russo,

Executive Vice President and General Counsel of American International Group, Inc. (AIG)
Former Vice Chairman of Lehman Brothers, Inc.

“We knew we had to make a statement to the world that we were going to start this financial market as soon as possible. That you cannot get in our way. We also knew that once you make that statement, you have to make that 100% ... I think the partnership between government and industry was never better.”

*From [transcript of *Crisis and Resolve: The SEC and the Securities Industry Remembering September 11, 2001*](#), SEC Historical Society Annual Meeting, June 2005