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113th Year
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Jay Clayton, Chairman
U.S. Securities and Exchange Commission

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Webinar

Questioners:

Gary Cohn, Former Director, The National Economic Council
Harold Ford, Jr., EVP and Vice Chairman, PNC's Corporate & Institutional Bank Group
Glenn Hutchins, Chairman, North Island, Co-Founder, Silver Lake
Barbara G. Novick, Vice Chairman, BlackRock

Introduction

Chairman John C. Williams

Well, good morning everyone and welcome to the 571st meeting of The Economic Club of New York, and that number just grows and grows this year. This is our 113th year of the Club. I'm John Williams. I'm Chairman of the Club and President and CEO of the Federal Reserve Bank of New York. As many of you know, The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues. And our mission is as important today as ever as we continue to bring people together as a catalyst for conversation and innovation.

And I'd like to take a moment those of our 312 members of the Centennial Society who are joining us today as their contributions continue to be the financial backbone of support for the Club and help enable us to offer our wonderful and diverse programming both now and in the future. A special welcome to members of the ECNY 2020 Class of Fellows. It's a select group of rising next-gen business thought leaders. And I'll make special note that applications for the 2021 Class are now open. So I would ask you to visit our website for more details. We'd also like to welcome graduate students from the Baruch Zicklin School of Business and NYU Stern School of Business and the City University of New York Graduate Center.

Now we have a very special guest today and we're welcoming back SEC Chair, Jay Clayton. So Jay was nominated Chair of the U.S. Securities and Exchange Commission on January of 2017 by President Trump and sworn in on May 4 of 2017. In addition to chairing the SEC, he's a member of the President's Working Group on Financial Markets, the Financial Stability Oversight Council, and the Financial Stability Board. Jay also participates on the Board of the International Organization of Securities Commissions. And key areas of focus for Jay at the Commission have included furthering the interest of America's Main Street investors, updating and enhancing the regulation and oversight of our equity and fixed income markets, taking into account advances in technology and increased interconnectedness. Making our capital markets, particularly our public capital markets, more accessible to businesses and investors, ensuring the United States continues to be the world's leader in terms of transparency, effective disclosure and investor protection.

Prior to joining the Commission, Jay was a partner and co-head of corporate practice and Management Committee member at Sullivan & Cromwell. And from 2009 to 2017, he was a lecturer in Law and Adjunct Professor at the University of Pennsylvania Law School. And prior to that, he served as a law clerk for the Honorable Marvin Katz of the U.S. District Court for the Eastern District of Pennsylvania.

A member of the New York and Washington, D.C. bars, Jay earned his undergraduate

degree in Engineering from the University of Pennsylvania, a B.A. and M.A. in Economics from the University of Cambridge and his J.D. from the University of Pennsylvania Law School. That's a great combination of engineering, economics, and law.

And we have an exciting and different format for today's event. So following Chairman Clayton's speech, he'll take questions from our panel of questioners. That's Gary Cohn, Harold Ford, Jr., Glenn Hutchins, and Barbara Novick. Now we'll end promptly at 11:15 and any questions that members sent to the Club were shared in advance with our questioners. And as a reminder, the conversation is on the record and we do have media on the line. So with all that introduction, I'm going to turn it over to Jay for your opening remarks.

Opening Remarks from Jay Clayton

Thank you John. It's been a pleasure to serve on those inter-governmental bodies with you. Your expertise is clearly evident and your elocution. So thank you. Well, it's wonderful to be back with The Economic Club of New York. You're a sophisticated, experienced, outcome-oriented, tough, fair audience interested in economic and wage growth and improving our society more generally. It's just the way it should be.

As John noted, today's programs proceeds in two parts. First, remarks from me on our regulatory activities over the past three years. And at the end of that, I'll talk about things going forward. And second, a Q&A session with policy experts Harold Ford, Barbara Novick, Gary Cohn, and Glenn Hutchins.

As a focal point for today's review and outlook, I will use my first speech as Chairman, which was before this very body in July 2017. In that speech, I set forth the eight core principles that I hoped would guide my chairmanship. Before I report with specificity on implementing those principles in practice, I want to go beyond principles. I want to dig a bit deeper and explain how the women and men of the SEC achieved historic results over the past three and a half years. The short story is we designed and pursued a granular, yet flexible, three-year plan and we were blessed with a talented-driven team of mutually supportive professionals. I'll go into more detail.

A granular, flexible plan, this audience, again an outcome-oriented group if ever there was one knows, that a set of clear principles incorporated throughout the fabric of an organization is a hallmark of an effective enterprise – be it a private sector company or a governmental body. However, driving outcomes relies on but requires more than a strong culture and collective commitment. It requires clearly articulated, discreet objectives and a path for achieving them that has buy-in from all stakeholders.

Early on, we set our objectives and we set a tangible and reasonable path. And we wanted to make sure we were being transparent about those objectives and our plans for achieving them, both internally and externally. As a rallying point, we used an often-overlooked public transparency requirement – the Regulatory Flexibility Agenda Act. By Federal law, agencies must disclose on a semi-annual basis regulations that are under development or review in the near term, that is within one year. In the post-Dodd-Frank era, the Commission's near-term Reg Flex Agenda, as we call it, did not consistently reflect the regulations that were under active consideration. In fact, typically only about one-third of the rules on the short-term agenda were timely advanced in the next year. We decided to change that and used the short-term Reg Flex Agenda to enhance transparency, promote cross-agency coordination and efficiency and ensure both internal and public accountability.

As a result of this reset, over the past few years, the short-term agenda has more closely tracked the Commission's actual rulemaking initiatives. People would ask me, Jay, what are you working on? I'd often say, there are no surprises, we're working on our Reg Flex Agenda and we intend to complete it. The Commission advanced 88% of the 26 items on the 2018 agenda and nearly 90% of the 39 items on the 2019 agenda. The Commission has had similar success with the 2020 short-term agenda advancing to date 83% of the 43 items we had on the agenda in addition to a number of unanticipated emergency rulemakings and orders as a result of our efforts to combat

Covid-19.

I believe this early focus on transparency and accountability was a driving factor in the effectiveness and historic productivity of the Commission's rulemaking. Across our divisions and offices, the priorities and timing expectations were clear allowing resources to be efficiently allocated and objectives achieved. To date, the Commission has issued 67 final rules across our policy offices and divisions during my tenure with a few more to come. And while quantitative measures are not sufficient to measure the success of a rule-making agenda, I am confident that our investor-focused modernization efforts will have broad and positive effects for years to come.

So let me turn from planning to execution. Some in Washington are fond of saying personnel is policy and there certainly is truth in that expression. I'm very thankful for Jay Powell, Steven Mnuchin, Randy Quarles, John Williams here today, Jelena McWilliams, Heath Tarbert and many others who collectively are steering us through the Covid-19 shock.

Today I'm going to add a twist to that quip. Not personnel is policy, but personnel is productivity. You cannot be productive without great personnel in both the public and private sector. In the public sector, in Washington, you do not have to look far to find a reason – and sometimes a dozen reasons – not to do something. Productivity speed

bumps are around every corner. Even if the proposal on the table is a clear step forward for all concerned, opposition is ever present. One reason is interest groups, interest groups of all stripes. They often have narrow priorities, including their own incentives to remain relevant, and solving broad problems can reduce or even eliminate the relevance of both their articulated and unarticulated interests. Broad political interests also can produce speed bumps. We should accept these hurdles as our founders built them into our system for good reasons, but we must also work to overcome them, particularly the short-term variety.

Another factor affecting execution is unforeseen events and shocks, and we've had a few of those. Several months after I arrived at the Commission, I learned that our EDGAR System had been hacked in 2016 and that non-public information taken from that breach may have, in fact, been used for illicit trading. Let me pause there. We had a system hacked and the information taken may have been used for illicit trading. It was a total gut punch. But we, collectively, faced this challenge head-on. We investigated the breach, properly disclosed it to the public and Congress, and requested our Inspector General to oversee and investigate our response. Our Enforcement Division pursued the international hacking ring and brought charges against those responsible. These efforts set the tone for how to address future unexpected obstacles and challenges.

I'll list a few other unexpected shocks that we had to navigate. First, a 35-day government shutdown. Second, a continued hiring freeze, which thankfully, and I thank Congress, we were eventually able to lift. Third, multiple international developments including Brexit and the transition away from LIBOR. Fourth, a number of Supreme Court cases that significantly impacted our enforcement authority and practices. And last, as we all know and are dealing with today, the Covid-19 pandemic.

So how do you overcome obstacles, both the expected and unexpected? For me, it required two things. First, an organization that is expert in its subject area. In our case, knowing investors, disclosure principles, capital formation and market function. And two, working proactively with a focus on outcomes. In common words, doing the right thing. And at the end of the day, that comes down to people. During my tenure, I was blessed with more than a dozen leaders who each knew more about their respective subject areas than just about anyone. And individually and collectively, we each worked with greater purpose than we ever had before. This approach was infectious and their respective staffs, including some personnel new to the Commission and many with decades of service under their belts, put forth continuous effort, continuous buy-in, commensurate with the importance of our mission. Collectively, they achieved the metrics I mentioned and so much more.

So now I'm going to touch on putting the principles I outlined some three and a half

years ago into practice. There were eight principles I outlined in 2017, and I'm not going to walk through each of them. They will be available in more detail in my posted remarks. I'm going to select a few of those principles and use examples to illustrate how our people followed those principles and our granular, flexible plan in delivering significant gains for our markets and our Main Street investors.

So the first principle is the SEC's mission is our touchstone. This principle that our home base is to protect investors, maintain fair, orderly and efficient markets, and facilitate capital formation – to do all three – it would appear self-evident. But over the years, a premise has emerged that these three interrelated components of our mission have a necessary tension between them that puts them at odds with one another. Said another way, there is a misconception that to promote one part of the mission, you must detract from another.

This is a false choice and inconsistent with dynamic, ever-changing markets and the SEC's great history. I am a firm believer that when we advance our mission, we should do just that, namely advance all aspects of our mission. Of course we can simultaneously enhance investor protection and promote capital formation while also ensuring more fair, orderly and efficient markets. We've been doing that for over 80 years using technology as our partner.

The examples are too many to detail in this speech but I will point to one. Our recent work to historically revamp the exempt offering framework with a keen eye on small and medium-sized businesses and their investors. Here, harmonizing requirements across offering exemptions allows these businesses to more easily navigate our regulatory framework and ensure that they are complying with our rules, including the important investor protections embedded in them. It's good for small businesses and good for investors.

Our mission also serves as the greatest source of our authority. This is a very important point. Our authority, expertise, and ultimately our independence depend on us pursuing our mission. The further we stray from our mission, the weaker each of these becomes. As I spoke about last year, there are often times when parties with specific non-financial interests attempt to draw the SEC into engagements outside of our core mission or thrust new responsibilities onto us. To be sure, many of these interests are worthy of governmental time and attention. We need to do something about them. However, our time and attention and our regulation, the SEC's time and attention, the SEC's regulation may not be appropriate.

The Commission may have neither the expertise nor the authority to act. Straying from our statutory mission and authority often brings risks – legal, political and execution risks – that may result in wasted resources or even the restriction of our authority going

forward. Said another way, we should resist and be wary of calls to stretch our authority or “fill the space” in areas that are not our primary responsibility, particularly in areas where others have primary responsibilities, expertise, and authority. I’ll deviate from my prepared remarks since John is our host and I’ll say I’m very happy to let the Fed do their job and for the SEC to do its job because they do a heck of a job.

And I’m pleased to say that we have resisted these calls in other areas while reasserting ourselves as the preeminent voice on the functioning of our markets for the benefit of investors and investing for the future. From the FSOC to IOSCO to the FSB to the PWG, the work of the SEC about markets is held in high regard and is a sought-after commodity on issues that are clearly within our bailiwick. I see the culmination of this work as the recently released report on interconnectedness in our credit markets led by our Chief Economist, S.P. Kothari. It’s a fantastic example of interdivisional collaboration bringing to bear, and distilling in a well-organized report, the Commission’s significant market expertise and insight.

We are best able to advance our mission when we have good people. I can’t say that enough. And our people are our most important asset. Their level of dedication, expertise and commitment to our mission is unmatched in my professional lifetime. To continue to remain true to our mission and to provide the services investors would expect, it is incumbent upon us to keep pace with our ever-changing markets, including

through targeting hiring of people with expertise in key areas.

In this vein, refreshing our expertise necessarily means bringing in women and men with hands-on experience in markets, litigation, and other financial matters. In the past, this practice of bringing in outside expertise has led to criticism of a so-called revolving door. At the individual level, such blanket statements are not only devoid of any practical evidence of negative effects but denigrate the impressive public service of those incredibly qualified, dedicated individuals. We should not make broad status-based judgments about the motivations of individuals.

Let's take an example. Our Director of Trading and Markets, Brett Redfearn. His electronic trading and broad market expertise was essential to our ability to move our markets, including our exchanges and other critical market infrastructure to a mandatory telework environment with minimal disruption at the onset of Covid-19. It was amazing what we did, but we needed expertise to do it. More broadly, in order to regulate our increasingly complex markets, it is particularly valuable to have a wide array of current practical experience. I see the quality of individuals the SEC has been able to attract in the past few years as an overwhelming strength. It speaks to both the reputation of the SEC as a workplace as well as to the character of the individuals wanting to serve the investing public.

Another area in which we have made significant strides pursuing our tripartite mission is improving our commitment to diversity, inclusion and opportunity. I firmly believe that enhancing each of those components within an organization strengthens both the fabric of the organization as well as its overall performance. Early this year, we released our first Diversity and Inclusion Strategic Plan. It was led by our Office of Minority and Women Inclusion under the direction of Pam Gibbs and was developed with input from around the agency. We have begun implementing a number of its near-term action items. And I want to point out that two of today's questioners – Harold Ford and Glenn Hutchins – have been particularly helpful in our efforts over the past three years to promote diversity, inclusion and opportunity. And I want to thank you both on behalf of all the folks at the Commission. I'm proud of the work that we have done in this area but there's still much that needs to be done. Said another way, the actions that we've taken are just the next step on a collective journey to improve diversity, inclusion and opportunity. And I believe it's a journey that will continue productively for years to come here at the Commission.

So let me go to the second principle. Our analysis starts and ends with the interests of long-term Main street investors. If you've heard me speak over the last three and a half years, you may wonder why this principle isn't first. I should have provided a caveat in my 2017 speech that while all of the principles are integral to our success this principle is of particular import to me. So, why is it so important?

First, consider who we are talking about when we discuss the long-term Main Street investor. There are more than 52% of U.S. households that participate in the capital markets. They must have confidence that the capital markets are fundamentally fair and honest and that we, the regulator, will take meaningful action to address fraud and abuse. Investors are willing to take risks. They rightfully expect protection from bad actors.

In 2017, I discussed how I was confident that the Commission staff shared their perspective. Let me say that that was an understatement. They embody that perspective each and every day. SEC staff understand the sacred trust that the architects of the securities laws extended to them. Discussions at the Commission on any topic effortlessly flow to the welfare of our Main Street investors.

Our examination and enforcement programs often come to mind when people think of the SEC's connection with investors. I will say early in 2017 reports of the untimely demise of both programs – many of which were written before the time I even walked in the door – were, to channel Mark Twain, greatly exaggerated. While my predecessor, Mary Jo White, and her great team set a high bar, the work of our Division of Enforcement, led by Stephanie Avakian and Steve Peikin, and our Office of Compliance Inspections and Examinations, what we call OCIE, led by Pete Driscoll, have been exemplary, both on a qualitative and a quantitative basis, including as compared against

any other time in the Commission's history.

While there are many ways our Enforcement program serves investors, an area that we have placed a premium on, in terms of resource allocation and improvement, is returning money to harmed investors. For many investors, the Commission is their best chance, and maybe their only chance, to recoup funds from which they were defrauded – a fact that is often underappreciated. This focus since 2017, despite the significant headwinds from the Supreme Court's Kokesh decision, yielded approximately $3.5 billion returned to investors.

On the regulatory side, this principle of focusing on the Main Street investors drove the enactment and implementation of Regulation Best Interest – the culmination of a decades-long project to substantially enhance the standard of conduct for broker-dealers when they make recommendations to retail customers. For the first time, broker-dealers are now required to act in the best interest of their retail customers and not place their interests ahead of the customer's interests. As part of this initiative, the Commission also adopted Form CRS, which provides a short, plain language form to Main Street investors with clear, concise information about their financial professional, and also reaffirmed – let me pause here, this is so important – that you have a straightforward statement about key aspects of the relationship that are digestible by a retail customer. And in this way, we've leveled the playing field and reaffirmed our

commitment to individual investors.

The totality of our package of rules and interpretations will enhance the quality and transparency of retail investors' relationships with broker-dealers and investment advisers. There are reasons that this project had been talked about for years and years and decades and never accomplished. It was an incredibly difficult undertaking, involving many entrenched interests. But from the start, the Commission, my colleagues on the Commission and staff, were clear-eyed on the need to act and meet investor expectations, and the collaboration was first rate, particularly between the Division of Trading and Markets, led by the aforementioned Brett Redfearn, and our Division of Investment Management, under the direction of Dalia Blass. Well, that's it for Principle Two.

I'm going to mention Principles Three and Four but leave the examples for my posted remarks. Principle Three is the SEC's historic approach to regulation is sound. And Principle Four is regulatory actions drive change and change can have lasting effects.

Let me go to Principle Five. As markets evolve, so must the SEC. At times, markets move faster than regulators. It's in their nature, and we usually are doing our best to keep up. At times, these evolutions can hit with both speed and significance. This occurred with the explosion of initial coin offerings, or ICOs, in 2017 and 2018. The

Commission moved swiftly to address these issues, including through timely enforcement actions in addition to the creation of our new Cyber Unit. Our policy divisions issued guidance and other helpful frameworks to provide clarity to the market about the securities laws' implications for new technologies. This approach worked, and we have seen the rampant speculation of those days give way to more productive engagement and dialogue around the technologies' beneficial traits.

Another area where the SEC needed to evolve – as the market had far overtaken our regulatory framework – was the proxy process. The Commission worked to narrow the gap between our regulations and market practices, particularly those relating to proxy voting advice. Over the last several decades, we've seen a seismic shift in how small and mid-size investors invest – from investing directly through individual holdings to investing indirectly through institutional holdings, particularly through mutual funds, ETFs and other fund structures.

These funds, which hold retail investments valued in the tens of trillions of dollars, are managed by market professionals – investment advisers who have a fiduciary duty to make investment and voting decisions in the best interests of the fund. Yet when these funds are invested in hundreds or even thousands of different companies, determining whether and how to cast each vote can be costly. This fact, and fundamental economic factors such as economies of scale and network effects, led to the rise of proxy voting

advice businesses and market concentration. During this evolution, these firms benefitted from longstanding, significant and clearly dated exemptions to our proxy solicitation rules. In the past decade, these firms have come to have de facto dispositive or substantial influence over many matters brought to votes of shareholders.

This year, the SEC updated our solicitation exemptions in a principles-based manner that requires disclosure of conflicts of interest and will result in investors receiving an improved mix of information before they vote. These amendments will generate a more transparent proxy voting system, where the information provided will both better inform voting decisions and facilitate compliance by market professionals with their fiduciary obligations to the funds they manage. We also reminded investment advisers of these voting obligations and that they are not dismissed when they use third-party providers, including proxy voting advice businesses. Most important, the rules and guidance will better align the interests of ordinary investors with the obligations of those who vote and invest on their behalf, a fundamental purpose of market regulation.

I'm also going to mention Principles Six and Seven but leave the examples for my posted remarks. Principle Six is effective rulemaking does not end with rule adoption. And Principle Seven is costs of a new rule now often include the costs of demonstrating compliance. I urge those students in the audience to take a look at this one. It's often not taught in law and business school, but demonstrating compliance is something you

need to think about.

Let me go to the final principle, Principle Eight. That is that coordination is key. The scope of the SEC's professional relationships is impressive – more than 15 federal regulatory bodies, over 50 state and territory securities regulators, the Department of Justice, state attorneys general, SROs, and non-SRO standard setting entities. We interact with them all on a regular basis. This system of entities with distinct, yet sometimes overlapping jurisdictions, has been called fragmented by many, but regardless of critiques of its structure, it is the system we have to work within. With that many domestic counterparts – not to mention our international counterparts – effective coordination and collaboration is more than a professional courtesy.

Domestically, we have engaged directly with the administrative and regulatory agencies as well as through various interagency groups. For example, within the FSOC, the agencies worked together to address emerging issues and rationalize our focus on activities-based systemic risks. The Department of the Treasury resurrected the PWG, which led to valuable movement on issues from cybersecurity to investor protections in emerging markets.

Each of these engagements, which occurred throughout our tenures, built strong relationships amongst the principals and staff at the various agencies. It allowed us to

work together seamlessly on complex matters as they arose. Importantly, this constant dialogue established muscle memory we relied on extensively when we needed it most, including during the market shocks of March and April resulting from Covid-19. I do not need to rehash that period, but the professional and personal relationships established over the prior three years led to a more decisive, more unified, and I believe ultimately more impactful response to those economic effects.

So now I'm going to turn briefly to discuss a few areas that I think need further Commission attention. I have additional items in my posted remarks. First, I hope the Commission will continue to work around modernizing our proxy system and, in particular, exploring ways to modernize our rules on shareholder communications so that companies can engage with their shareholders more directly and efficiently. For example, the OBO-NOBO, that's Objecting Beneficial Owner/Non-Objecting Beneficial Owner rules are overdue for reexamination – it can be difficult and costly for companies to identify and communicate with their shareholders on important corporate governance issues.

This has arisen in other contexts as well, including our recent proposal to update Form 13F where public companies have made it clear that issuers and other market participants are using Form 13F data in an attempt to address, in part, the shortcomings of our proxy rules. We should update our proxy plumbing system to support and ensure

that there are efficient communication channels between corporations and their shareholders.

Another area of continued Commission attention is good corporate hygiene. The importance of good corporate hygiene cannot be overstated, nor can the importance of related controls designed to prevent not only insider trading but also the appearance of impropriety or misalignment of interests. Particularly in times of heightened market volatility and uncertainty, the potential for executives to possess material non-public information increases, as we have witnessed during this time of Covid-19-induced economic and market stress. While I believe many of our public companies as a general matter have discharged their responsibilities in the related areas of public disclosure and corporate controls very well during this difficult time, there are some specific measures that would improve compliance, market integrity and investor confidence, including through a demonstrated commitment to good corporate hygiene.

I will specifically mention Rule 10b5-1 plans, which when designed and administered appropriately, can facilitate long-term interest alignment and other principles of good corporate governance. There are practices, however, that, while they may be consistent with law and regulation, raise questions of interest alignment and fairness, including, in particular, issues that arise when plans are implemented, amended or terminated and trading occurs or does not occur around those events. I believe that companies should

strongly consider requiring all 10b5-1 plans for senior executives and board members to include mandatory seasoning, or waiting periods after adoption, amendment or termination before trading under any plan or replacement plan can begin or recommence.

Let me talk a little bit about climate-related disclosures. I'm fond of saying that ESG, and we often talk about climate in the context of an ESG discussion, is not a monolithic concept and it should not be treated as such. In fact, Ken Arrow won a Nobel Prize for disputing such a notion in the context of preference ordering. For those of you who were with us last year, it took me a long time to mention my favorite economist but, you know, everybody has theirs. So "E", "S", and "G", I believe each of "E", "S", and "G" should be viewed within its own context because for one reason the approach to investment analysis appears to vary widely from investor to investor, person to person around these concepts. And incorporating them into one measure just doesn't make sense. Time frames, preferences and the like, they are all different. I believe that "E", "S" and "G" should be focused on separately.

I will briefly focus on "E" disclosures where I believe there is the most interest at this time. And that's at least, in part, because "G" disclosures under our rules are the gold standard. Let me say that again. We talk about "E", "S" and "G" but from reports from Congress and the like, I see virtually no problem with "G" disclosure. We have lot of it.

It's robust. People are held responsible for it. If there are particular items, you know, send them in. But our focus going forward should be more on the "S" and the "E."

So turning to the "E", as a threshold matter, I note that, to the extent material, issuers are required to disclose the current and future effects of climate-related issues on their operations and performance. It's important that this disclosure be decision-useful, in our terms, material. In other words, that it provide investors with the ability to incorporate the information regarding the current and future performance of the issuer into their investment decision process. It often has been noted that this process can be more efficient if disclosure is standardized or uniform.

However, standardization can be difficult across industries, and in particular, with respect to forward-looking information, it can be extremely vexing as it requires uniform assumptions about the future across industries. Personally, I am of the view that any standardization should be approached, at least initially, on a sector-by-sector basis, starting with the sectors that are already using metrics to track and assess climate-related risks. I expect to have more to say on this soon so please stay tuned.

Well, that's the end of my prepared remarks. It's my hope that I've covered a lot of ground in an open manner that encourages continued engagement. That has been our stated approach from the start, and I hope that we have lived up to it. In that vein, I

await the engagement from our distinguished questioners. Back to you John.

QUESTION AND ANSWER PERIOD

CHAIRMAN JOHN C. WILLIAMS: Thank you, Jay, for your very thoughtful remarks and your leadership in all of these important issues. You did remind me, though, listening to your remarks that I did have the unique privilege of being taught the history of economic thought by Ken Arrow when I was a grad student. It's a memory that I still hold dear. I especially want to echo your comments just very briefly about the dedication, the expertise, the professionalism of the SEC staff. Obviously the same applies at the Federal Reserve. You look at this year, this has been a time when all of our colleagues have stepped up and done amazing things in the service of our country. And I just wanted to echo those remarks that you've made.

So now it's my job to introduce our panel of four questioners. We'll start with Gary Cohn. Gary served as Assistant to the President for Economic Policy and Director of The National Economic Council from January 2017 until April 2018. As President Trump's Chief Economic Adviser, Mr. Cohn managed the administration's economic policy agenda and led its tax and regulatory reform efforts.

Then we have Harold Ford, Jr. He's currently the Executive Vice President and Vice

Chairman of PNC's Corporate & Institutional Banking Group. He served in Congress for ten years from 1997 to 2007, representing Tennessee's 9th Congressional District and was a member of the House Financial Services Budget and Education Committees as well as the Blue Dog and Congressional Black Caucuses.

Then we have Glenn Hutchins, who is Chairman of North Island, and a Co-Founder of Silver Lake. He's the Director of AT&T and Virtu Financial, Co-Chairman of the Brookings Institution and CARE, on the Executive Committees of the Boston Celtics and the Obama Foundation, and a board member of the New York Presbyterian Hospital and the Center for American Progress. And most importantly, at least to me, on the board of directors of the Federal Reserve Bank of New York.

Finally, we have Barbara Novick who is Vice Chair, Co-Founder and member of BlackRock's Global Executive Committee, Enterprise Risk Committee and Geopolitical Risk Committees. From the inception of the firm in 1988 through 2008, Ms. Novick headed the Global Client Group and oversaw global business development, marketing, and client service across equity, fixed income, liquidity, alternative investment and real estate products for institutional and individual investors and their intermediaries worldwide.

So I'm looking forward to hearing this discussion. And Gary, you can go ahead with the

first question.

GARY COHN: John, thank you. And, Jay, let me first start out and thank you and thank your team for the personal sacrifice you made for serving our country. We're a better place for the sacrifices that you made and I just want to start off thanking you and the amazing team you surround yourself with. You mentioned early in your speech, which I found interesting, your conversations with Quarles, Mnuchin, Powell, McWilliams, Williams, all of the above, how often did you talk to each other? And when you think of your tenure at the SEC, almost 25% of it was dealing with Covid, Covid-related issues, how important was that? Because you guys clearly did a very good job of sort of landing this as well as you possibly could have.

JAY CLAYTON: Well, first of all, they're all terrific people and all terrific and experienced professionals. And what I would say, Gary, is that the formal mechanisms of the FSOC and the PWG, as you know because you've participated in some of these, were the first connections. But then those connections just developed formally and informally on a bilateral basis. And what I want to really say is, they were incredibly efficient interactions. It's like what's our objective? What information can you bring to bear? How can we best make decisions?

And so when Covid hit and the Fed needed information about the functioning of our

markets, the functioning of money markets and the like, it was, here's the information. Here's our perspective. You know, let's make the best decision we can. And it was reciprocal when we were thinking about, you know, can we actually move to an electronic trading environment, you know, no one on the floor, everybody remote, will the pipes still support that? Communicating among the various regulators was fantastic. You know, people matter. And they're just very high-quality people who are mission-oriented.

GARY COHN: Great. Thanks.

HAROLD FORD, JR.: Good late morning, Chairman. I join Gary in thanking you for your service and I hope that this is not your last run in serving the public. I hope you have another opportunity to do that. You started the speech off also where you really focused all your attention, I believe, and most importantly as Chair, focusing on Main Street investors. This morning you talked a great deal on CNBC about how regulation or thoughts around new regulations are triggered. We have a number of students on the call. I would imagine with the rise in interest, the popularity around cryptocurrency, there may be some curiosity and you elaborating on that point. And two, you talked a little bit about income inequality this morning. And I know in your speech today you spoke of how the SEC; the agency should stay in its lane. But as you think about those breaches and those inequities and inequalities, you personally are committed to that, give us a

little more color on how you've approached that as a Chair and how you would hope your successor approaches it.

JAY CLAYTON: Well, I love that question because I think something that Covid has brought into stark relief but some of us knew and we can continue to have a discussion is if you're not connected in this economy financially, you're being left behind. If you don't have a bank account, we can't get you paycheck protection. If you don't have an understanding of basics of investing, you're not going to have as good a retirement. You know, getting costs down, diversifying your portfolio, starting early, those are things that people should get – as I'm fond of saying– you should get those with your mother's milk. You should get them in elementary school.

I know, Harold, years ago you had an idea which was, hey, let's just give every kid a bank account or an investment and let's get them connected to our economy early on with financial literacy, and that is in our lane. It's very much in our lane to have outreach to people, get them connected. We're much more responsible today than at any time in the last 50, 60 years for our own retirements. We need to help people do that. So that's of extreme importance to me. We could talk a little bit more about crypto, but I just, let me pause there because I don't think the importance of being connected, being connected early can be overstated.

HAROLD FORD, JR.: Thank you.

BARBARA G. NOVICK: Hi. First of all, thank you for your service and for your leadership at the SEC. My question is you talked about the Reg Flex Agenda and you've used it in a very transparent way, what things would you have on the Reg Flex Agenda in 2021 if you were Chair? And related to that, what is your advice to your successor?

JAY CLAYTON: Well, let me say this. Mary Jo did a terrific job of not binding me when I came into this job. I had a lot of freedom, a lot of flexibility. So I want to return the favor to whoever is next. I did mention that I think the proxy process is long overdue for continued, what I would say is continued modernization with all of our technology. You ought to be able to find your shareholders. And I know sometimes shareholders don't want to be known by their company. That's fine. But if you want to get a message to them, there's got to be ways to do that. And, look, I would say continued harmonization internally, domestically and with our foreign counterparts. When you have asymmetric treatment, it creates ____. Now, one may be better than the other and we need to continue to assess, but those are two places that I would look in setting an agenda going forward.

GLENN HUTCHINS: So, Jay, before I ask my question, I want to just compliment John

Williams on his leadership of The Economic Club of New York. I think it's an important role that the President of the Federal Reserve Bank of New York to undertake. It adds to his responsibilities but, John, thank you for doing this. Jay, one of the things, I think you gave yourself short shrift in your remarks for the extent to which you fostered innovation in the financial markets while you've been Chairman, while protecting investors. And as Harold suggested, and let's get to crypto, one of the, maybe not at the cutting edge, but the bleeding edge of fin-tech innovation during your time period at SEC, has been cryptocurrencies. Uncharted territory which you've navigated with both those goals – investor protection but fostering innovation in mind. Tell us a little bit about that journey as you've been Chairman of the SEC and give us some sense of where you think it goes from here.

JAY CLAYTON: Well, thank you. A lot of that goes to the women and men on our staff who hit this head-on. But, look, when we arrived three years ago the promise of this technology was becoming readily apparent. Unfortunately, the promise got channeled into an area where we have longstanding regulations that have worked really well. And that is that you can't make a widespread public offering of securities without going through the SEC registration process. And ICOs and the like, essentially flaunted that. And, look, I don't blame people for being motivated to try and take a new technology and raise money using it. But, you know, I was not going to be the Chair that threw the '33-Act out after 85 years of success, so there you have it.

But that said, incredibly powerful technology for the financial sector. I mean it's technology that greatly reduces the cost of verification. It's technology that greatly reduces the cost of information transmission. And it's technology that can drive some of the inefficiencies out of our system. So that's where we are today. You know, comply with the securities laws but, you know, push the technology forward.

And the area that is of particular interest to me and many of those regulators that Gary mentioned is the payment system. We all recognize that our payment system is inefficient. Domestically it's inefficient. Internationally it's extremely inefficient. So if we don't work and use technology to address those inefficiencies, the market is going to do it for us. And I think we'll like the outcome much better if we, as regulators, proactively enter that payment space ensuring that all the time-proven safeguards around AML, bank secrecy, antiterrorism and the like are there. So I see significant promise going forward, Glenn.

GARY COHN: Chairman, the last time we were together we spent an enormous amount of time talking about an amazing report that the SEC put out on short-term funding and the interconnectedness of short-term funding and how it – I want to say – bled or fed through almost every market. You guys at the SEC did an unbelievably intricate study on short-term funding and its effect on almost all markets and how it worked. Why did you decide at the SEC to take on this huge project? It doesn't seem like a natural place

for the SEC.

JAY CLAYTON: Gary, thank you for the question. Thank you for the compliment. We tend to look at our markets, whether it's on TV or as analysts, in a very specialized way. We look at equities. In fact, some people look at large cap equities, small cap equities. We look at fixed income. We look very narrowly when we analyze our markets. But what Covid showed was all of those markets, the transactions in all of those markets rely on short-term funding. Said another way, if your short-term funding markets aren't functioning, the other markets can't function. And so those are the securities markets. Those short-term funding markets also facilitate consumer credit facilitation, housing credit, other credit. Everything comes back to those key short-term funding markets, and the center of those short-term funding markets is the Treasury market.

So when we were seeing the dash for cash and the Treasury markets seizing up, you know, John Williams and his colleagues at the Fed, they did a fantastic job because they recognized, look, this is the centerpiece of our credit-based economy, let's make sure that there's liquidity. Let's make sure that it's functioning. And, you know, that is one of three or four steps that was absolutely essential to prevent long-term effects from a very short-term financial problem. So we thought it was important to document that while it was fresh in people's minds and try to do so in a rigorous way.

And it's funny, somebody sent me a note the other day that said why didn't you make any policy recommendations? I said because we didn't want people to think we did this in order to drive a policy agenda. We just want people to know how it's functioning so that they can then think about policy recommendations.

BARBARA G. NOVICK: I'd like to follow up on Gary's question. First of all, we couldn't be more thankful for the swift and bold action of all the regulators and the coordination between your team and the Fed and the New York Fed and others. It really was quite spectacular back in March. But my question is when you look around at capital markets around the world, the U.S. really is a shining example of good capital markets and a differentiator – if you will – of bank finance versus market finance and the mix. So given that, what is the best way for the U.S. regulators to interact with the global standard setters and raise the bar? I guess what we're all hoping is we don't see the least common denominator outcome but actually a highest common denominator and maximizing for everyone. What's the best way to get that outcome?

JAY CLAYTON: I do think it is with rigorous analysis, Barbara. Explaining to people – I think which was embedded in your comment – that having a market-based credit system that compliments your bank credit system allows an economy to be more nimble. You can more quickly allocate capital to places where it's a need, to places where there's growth. And I can tell you that the nimble nature of our credit markets, I

believe, has helped – I have a couple of things on this, but I believe it has helped us deal with the pandemic, the economic shock of the pandemic, and will help us come out more quickly than comparable, systems of comparable maturity in terms of societal maturity.

Just to delve into that a little more, the signaling that goes on in our marketplace, mostly from our public companies, where is employment needed? Where is employment not needed? All of that communication, I think, and Glenn and I have talked about this, greatly facilitates reallocation of resources. And the more signaling you have, the more efficiencies you have. Our disclosure-based system, where you have to disclose what you're doing today, greatly helps that. Let me say it another way, Barbara, prescribed disclosure about how to run a company doesn't work when the eggs get scrambled. You have to say how we're dealing with the world today, not how we built some framework for dealing with the world of yesterday.

HAROLD FORD, JR.: Jay, Chairman, really quickly on the issue of cybersecurity, you touched on it in the speech and disclosures you expect from large companies, the progress you've made there and the progress you'd like to see going forward?

JAY CLAYTON: Well, I would really like companies to be comfortable disclosing any significant cyber incident. It's not a negative mark on a company. It's a reality of today's

cyber infrastructure that there are going to be attacks. There are going to be successful attacks. The more information that we have collectively about that, the better we can build our cybersecurity and more importantly our cyber resiliency when something does happen. I think companies are doing a better job than say, you know, four or five years ago. I would like to see continued disclosure and, you know, better coordination in response. But, you know, it should be front of mind for all of us. It's something I'm still worried about all the time. You know large denial of service attacks around our critical market infrastructure is just something we need to continue to focus on.

GLENN HUTCHINS: So, Jay, pivoting off those two questions and pointing toward the future, let's talk about the SEC's role in disclosure around climate change. A lot of people have analogized the pandemic, the climate change, the scientific problems have been politicized – a problem that we see looming in front of us that we're making it, since it's long term we're making insufficient steps to deal with today, etc. etc. How do you think about the SEC's role in, somewhere between prescribing and compelling disclosure from companies about the long-term effects of climate change on their businesses so that investors are aware?

JAY CLAYTON: So, Glenn, I think we have an engagement facilitation role to play here. And the good companies that are being affected by changes in climate, let's just pick, property and casualty insurers, they're looking at this issue. They're looking at what it

means for their business. They're measuring it. Let's get what they're doing on the table with investors so investors can see it in that industry and understand, I believe – I'm speaking for myself here – and understand that from sector to sector, the way people look at climate change now, the climate change risk they face, the current effects of it is different because it affects sectors differently.

Said another way, I'm very wary of people looking for a single metric as providing an ability to assess whether a company should be allocated capital or not, what its risks are and what they're not. These are very company-specific and what I would say, certainly sector-specific issues. And I'd, you know, roll up our sleeves, dig in, look at them. That's where we are today. Now, it also has a problem because it's forward-looking. We're really good at backward-looking disclosure. How much money did you make last year? How many widgets did you put out? For years, backlog, which is kind of an assessment of how much is a company going to produce in the years to come. Disclosure around backlog, looking out just a couple of years, we all know that it's uncertain, that the prediction and the reality are likely to be different. As we say in the parlance, sometimes materially different.

That's the reality with climate change disclosure. It doesn't mean we shouldn't do it, but we need to recognize that it's forward-looking. You know, again, speaking for myself, I believe it's the kind of forward-looking information that should benefit from a safe

harbor, you know, because it is uncertain. It's also quite difficult because there's not a common touchstone. Now common touchstones are developing, if it's true that international policymakers, and the choice of this policy is not for the SEC. But if the choice of policy is carbon neutrality or zero carbon 2050, then you have something to disclose against going forward and you have a way to assess what path your business has to take in order to perform best for its stakeholders. So, Glenn, I've talked a lot but hopefully that demonstrates that I've thought more than superficially about this issue.

GLENN HUTCHINS: No, very interesting. Thank you.

GARY COHN: So, Chairman, I'm going to ask you the proverbial Washington question since it's the New York Economic Club. And I'll take you off the hook on this one. I'll tell you let's assume Biden is the next president so I'll make it easy for you. If I tell you to assume Biden is the next president...

JAY CLAYTON: Gary, you would have been a good law professor.

GARY COHN: Thank you. Thank you. Well, I'm taking you out of your legal background here, so I'm going to put you in the economics world. Let's assume Biden is the next President of the United States, from an economic policy platform, you've been around Washington, you've spread your wings very wide, you're very in touch with all the

issues, where do you see the big challenges and opportunities for the Biden administration going forward? And how should he attack these opportunities?

JAY CLAYTON: Look, I'm going to go back to my speech and I'm also looking at the screen here. Personnel is policy, personnel is productivity. The opportunities on the financial side, I'm actually looking at the screen here, I don't know Barbara's political affiliation, but I see three diehard Democrats in Harold, Glenn, and Gary. My advice is get engaged, experienced professionals who care about the Main Street investor, who care about wage growth, and have thought for some time how to drive those things. I think that, look, present company excluded, I think that's a characteristic John Williams and the rest of my federal financial regulators share. Pick people like that.

BARBARA G. NOVICK: So I'm going to try and get something upbeat and see if we can...

GARY COHN: That wasn't upbeat?

BARBARA G. NOVICK: Right. So I want to try and find some positive...

GARY COHN: I tried to draft Glenn into the government.

BARBARA G. NOVICK: Some positives from Covid, and I guess you obviously made a lot of short-term exemptions and changes and you've been gathering data on what things maybe should be done permanently, whether it's e-delivery or virtual board meetings. But what lessons do you get from Covid that you say on the look forward, positive lessons, things that maybe should be continued in, not just 2021, but really a long term, whether it's the use of video or any aspects that come out on the positive side?

JAY CLAYTON: Barbara, and you know, there are some and it goes back to what I was talking to Harold about. When we shifted to electronic, we saw how much more efficient that was. We had held on to a lot of paper-based, mail-based regulations. You know we should not let the pace of mail and the constraints of paper guide our regulations. Investors have a much better experience with the electronic delivery of information. It can be layered. They can manipulate it, analyze it, do all those kinds of things. I think we have to recognize that. I would expect that virtually all of the short-term, electronic communication relief that we put into place will become permanent with an assessment of whether any additional investor protection and market integrity measures are necessary, but this clearly demonstrated that. And going back to what Harold said, it demonstrates how important it is for everybody to be connected in that way because if you're not, you're behind.

HAROLD FORD, JR.: Chairman, I know we're running short on time. I just want to say thank you again for your leadership around diversity and inclusion efforts. I take personal pride with it because you were kind enough to involve me in trying to be helpful. But you deserve tremendous credit there and I know you don't like to speculate or perhaps put anything on successors, but I do hope your successor pursues it with the same rigor and the same focus that you did. So thanks for that and congratulations.

GLENN HUTCHINS: I agree with that wholeheartedly. Jay, let's, as we, we're getting close to the end. I think we've got another ten minutes.

HAROLD FORD, JR.: Ten minutes? I'm sorry. I thought we were stopping at 11:05.

GLENN HUTCHINS: I'm not sure. Maybe somebody can tell us. I'll ask this question. I thought it was 11:15 but we'll see. The system; let's talk about the system. The Chairman of the SEC is notably on the Financial Stability Oversight Council, FSOC. It came out of Dodd-Frank. You've been actively involved in that. You've been notable, I think, as an SEC Chairman in coordinating – you mentioned all the names of people you work with, but that's indicative of all the people you coordinated with as your role in government. You looked outside the SEC and took responsibility for the system. We've talked about some major systemic issues – short-term funding markets, cyber, climate change. As you think, as you look across the system now, what would you think or what

would you commend to all of us who are involved, either in government or in private markets to be mindful of as we think about the risk to the system over the course of the coming years?

JAY CLAYTON: I do, look, it's always the things you don't know, but let me talk about the things I do know. And that is those short-term funding markets, making sure that not only are they resilient and that we take steps to make sure they're resilient, but that we don't throw the baby out with the bath water because they are so important. They provide a real function. So you've got to go at whatever reforms we do through FSOC or the PWG or the FSB with both of those elements in mind – how important they are, how we need to protect them – but also how they need to function in order to provide credit.

And, look, I think long-term economic impact, let me just say, let me say it this way, Glenn, maybe even shorter term, the CARES Act, the actions of the Fed all in combination, to keep the consumer – which Gary always talks about this – as part of our economy, going. To keep housing prices, I mean the consumer is going, the consumer has money, housing prices stay stable. Everything comes back. That stability is really important. And measures that are tailored to maintain that stability as we get through the pandemic are extremely important.

GLENN HUTCHINS: And, by the way, I would argue that economic inequality and lack

of financial inclusion, which Harold was focused on, is another major risk to the system that needs to be, that would be very important. And, John, I know you agree with that.

JAY CLAYTON: Let me not let that pass without saying I completely agree. I really want all Americans to be connected to our financial system.

GLENN HUTCHINS: By the way, team, the organizers sent us a chat. We're going until 11:13 and then they're going to wrap up for two minutes after that. So we've got another seven minutes.

BARBARA G. NOVICK: In one of your earliest speeches that I heard as Chair, you focused on the capital markets and specifically on the equity markets and whether or not Main Street investors were participating the way they used to. And, you know, did they have the same opportunity set versus private equity markets? During your tenure, we've also seen direct listings, SPACs, listings with no shareholder or voting rights. We've seen quite a few innovations. If you could reflect back, starting where you were in that early speech and today, what's gone better and what's gone worse?

JAY CLAYTON: I do think that, let's talk about this in terms of companies that are billion dollars or more in size because below that it's idiosyncratic and many of them, the public markets are not appropriate for. But at that size and above, I think that the

private-public choice, we have facilitated the public choice being an easier choice to execute on without diminishing investor protection. Now people are choosing different avenues and direct listings and SPACs and the like. I believe those are competitive innovations on how to distribute stock. We have to watch them closely to make sure that people are getting the same protections that they get with the traditional IPO. But I do believe that that private-public choice, we've gotten rid of some of the unnecessary frictions. That said, and why do we love the public market so much? Because in the public markets, the retail investor gets the same deal as the most sophisticated institutional investor. Same price, same access, same everything.

In the private markets that's much harder because of all the frictions and whatnot in the private markets. I would love to see us get products that put the individual investor on par with the very sophisticated private equity and venture investors in terms of returns, fees, etc. We're working on it through fund structures. It's a tough nut to crack but I think it's something worth pursuing.

HAROLD FORD, JR.: Chairman, what was the hardest thing in dealing with, you talked about your board of directors, Congress, I mean not to be critical of the institution. There's enough of that. And I do resemble your comment about being a Democrat. I'm curious, as you think about the kind of structural challenges and friction, because you seem to get along, you seem to have gotten along very well with everyone. People had

positive experiences with you, but if there was one structural thing you could change, what might that be?

JAY CLAYTON: Well, this is an arcane law. It's called the Government in the Sunshine Act. So we have five commissioners. That law has been interpreted such that we're not allowed to get together as a group outside of a public meeting. Now, I believe in the public knowing exactly what we're doing. That's why I published our Reg Flex Agenda. Barbara follows what we do on a regular basis. There were no surprises, right? I mean it's all laid out. This is what we're doing.

To the extent that we can facilitate a period where the five of us, the four of us, the three of us, whatever the composition of the commission is at the time to talk about broad policy considerations and how we think about them and to be able to do that in a candid way, I think that would greatly enhance productivity and the quality of the product. Because when you have to guess what people are thinking or you only get insight through written words or through a staff person who is doing their best to faithfully represent your views, you can't see the emotion, you can't the relative, I would do something about that. And again, not in any way that diminishes transparency to the public. But we ought to be able to get together as a decision-making body.

BARBARA G. NOVICK: So I guess I'll jump in with one last question which is related to

advice for the future. You've somehow managed to reach out to all these other agencies and even more than the ones that you listed – the Department of Labor, the CFTC. It's really been a remarkable group in the last several years. How do we institutionalize that? Because that's not the way Washington is usually working. It's usually much more siloed and has a reputation for turf and whatnot. How do you institutionalize the teamwork approach?

JAY CLAYTON: Well, let me say this. I believe in governance structures and good governance structures, but we always have to remember that governance structures aren't an end in themselves. They're a means to an end. And what do they decide to do with, let's take for example FSOC or the PWG, the mindset ought to be not what can those agencies do for me, but what can I do for them? What expertise do we have here at the SEC that's going to help Tarbert at the CFTC do that job or John Williams at the Fed do his job? If you take that mindset into it, and I'm not saying I'm like fantastic about that or whatever, but you get the reciprocal from many people. And if you can develop a dynamic where people look at, you know, how can I assist them with their job, they're looking to assist you with your job. And sometimes it's just a five-minute phone call with a heads-up. I mean, Gary, you tried to coordinate, your job was to herd the cats a bit.

GARY COHN: It was. Look, I remember the first meeting and putting all you guys together around one dinner table. So, Jay, let me follow up on that one. Let me follow

up on Barbara's question. You know now after having sat in the seat for four years and having dealt with our European regulatory communities, our Asian regulatory communities, where they're more streamlined and have less agencies than we do in the United States, should we think about modernizing our U.S. regulatory system on the securities side and trying to put it into a more streamlined regulatory system?

JAY CLAYTON: So, it's funny. You say four years and four years is a long time to be in one of these jobs, but it's too short a time to try and order your affairs to cause that to happen. You just accept the way it is. And I think, I actually think if you do have that communication, the fact that you have these pockets of expertise, as long as you have that proactive communication, it can be at least as effective, if not more effective. On the other hand, if you don't have it, you have the silo problem and that's, you know, look, let's put it this way, we should always be checking to make sure that we're a network, not a bunch of silos.

GLENN HUTCHINS: So, Jay, I'm going to turn it over to our President now, Barbara Van Allen. But in closing, I just want to say I hope you get those five strokes off your handicap over the next six months.

JAY CLAYTON: (Laughter) I'm glad you said five strokes, not five pounds.

GLENN HUTCHINS: You deserve it. Thanks pal. Well done. Bravo.

JAY CLAYTON: Thank you all very much.

PRESIDENT BARBARA VAN ALLEN: Yes, many thanks, Jay, for a terrific speech and thanks to our questioners – Gary, Harold, Glenn, and Barbara. We really appreciated it today. Just great questions. I'm pleased to report that we have many great speakers lined up. As always, we encourage you to invite guests to our events. This coming Monday we're going to host Jonnel Doris, who is Commissioner of the New York City Department of Small Business. He's going to share insights on specific initiatives underway to help Black-owned small businesses that are facing profound challenges in New York City during the current Covid crisis and other efforts to advance racial equity. I hope you all will join us. The Club also has programming that's going to go well into December. We have LL Cool J, CEO of Rock the Bells, December 1. Mellody Hobson, Co-CEO and President of Ariel Investments, December 2. And we actually have more to come, some exciting ones, well into December. So please continue to monitor our website. We'll continue to communicate by email. Thank you again for joining us. And Jay and our questioners, again many thanks.