ABA Senior Lawyers Division
Women Trailblazers in the Law

ORAL HISTORY

of

ROBERTA S. KARMEL

Interviewer: Dana Brakman Reiser

Dates of Interviews:

February 20, 2013
March 28, 2013
July 16, 2013
July 24, 2013
July 30, 2013
Prof. Brakman Reiser: I am Professor Dana Brakman Reiser and I am here with Professor Roberta Karmel, my colleague on the faculty of Brooklyn Law School. Today is February 20, 2013 and we are at Brooklyn Law School for our first interview as part of the ABA Women Trailblazers Oral History Project. Thank you for meeting with me today Roberta.

Prof. Karmel: It's my pleasure.

Prof. Brakman Reiser: So I'd like to start with your childhood and we'll see where it goes from there. I know you grew up in Chicago. Were you born there?

Prof. Karmel: Yes, I was born in Michael Reese Hospital in Chicago.

Prof. Brakman Reiser: And tell me about your family. Did you have brothers and sisters?

Prof. Karmel: I had and still have one sister who is three years younger than I am.

Prof. Brakman Reiser: Was your family's history in Chicago? Did your parents grow up there too?

Prof. Karmel: My parents were both born in Chicago. They knew each other from high school on and married in Chicago and lived there all their lives.

Prof. Brakman Reiser: And what did you father do?

Prof. Karmel: My father was a lawyer. He worked for the City of Chicago for many years when I was a child. After a time, he became head of the Appeals and Review Division, so he was doing appellate litigation. When he was working for the City of Chicago, Barnett Hodes was the corporation counsel and later on Barnett Hodes joined others in private practice in a law firm known as Arvey Hodes and Mattynband and my father joined that law firm. He eventually became a partner and practiced law there until he died. There was a brief time in between the corporation counsel's office and his joining the Arvey Hodes and Mattynband law firm when he was in practice either by himself or with one or two other people practicing patent law. He had a master's degree in patent law, and even obtained a patent on an invention of his own for a children's toy. Unfortunately, it could not be manufactured for a price that was viable.

Prof. Brakman Reiser: Did you think about becoming a lawyer seeing your father as a lawyer?
Not really. When I was as a young girl becoming a lawyer was not something women did, but later on when I decided to go to law school, I think I was inspired to some extent by my father. Everyone always told me my father was a brilliant lawyer, and he was highly respected by others. So I thought since he was good at being a lawyer, I’d be good at that profession too.

Did you ever see him in practice? Did you ever go to court with him? Or to his office?

I can remember going to his office in City Hall when I was a very little girl and being quite impressed by his surroundings. And then later on I remember attending an argument in court where he was arguing a case.

And was your mother at home with you and your sister?

Yes, my sister and I used to tease my mother because she was an “ordinary” housewife.

Did she have an influence on your decision to become a working woman?

Well she certainly had an influence on my achievements in life. She believed in women achieving what they could in the world. She encouraged me to excel in school and to think of myself as “special.” I think one of her most serious regrets in life was that she never went to college. This was something she had wanted very much but her family didn’t have the money for women to go to college. Also, she had health problems. When she was 17 she had rheumatic fever and after that she had heart trouble. I wasn’t supposed to be born but I was. I think my mother was a woman of great personal courage. That was one example—having children when she was told she probably shouldn’t. And, I think she definitely was very proud of me all my life. She helped me to go off to an eastern school for college. But by the time I decided to go to law school, I was already married. So my parents were not a direct influence on my decisions at that point in my life.

So I wonder if you could talk a little bit about growing up and about school in Chicago before you came east to Radcliffe. What motivated you to make that move? It sounds like it wasn’t typical.

It wasn’t typical at all. I went to public grade school in the neighborhood where I lived in Chicago, which was the Austin neighborhood. The school was Robert Emmett public school. Because Chicago had neighborhood schools in those days, the student body of Emmett was drawn from the immediate neighborhood of about a mile square. Chicago was a city of ethnic neighborhoods, and our neighborhood was Greek, Irish, and Jewish—middle class, lower middle class. The Irish kids went to parochial school; most of the Greek kids went to parochial school also; although a few went to the public school. So, the student body was primarily Jewish even though the neighborhood was not entirely Jewish. The parents were very interested in school and how the kids were doing in class. If the
mothers would meet in the grocery, school or the fish market, the conversation would be something like “so who is the smartest boy in the class”. My mother once reported to me that when she asked another mother “so who’s the smartest boy in the class,” she was told, “there is no smartest boy in the class, Roberta is the smartest boy in the class.” So, that was my identity to some extent in grade school – that I was the smartest one in my grade. I was a good student. I cared about books. In fact, when I think of my childhood I would say much of it was spent reading books. It was my primary activity. I would go to the public library every two weeks and take out 14 books and read a book a day.

Prof. Brakman Reiser: What kind of books were you reading?

Prof. Karmel: Anything and everything. I had no idea what was literature, what was trash, what was fiction, what was nonfiction. I read any book that came into my hands. Maybe that was good because it gave me an ability to decide for myself what kind of books I was interested in.

Prof. Brakman Reiser: Are you still a big reader?

Prof. Karmel: Not as much as I used to be. I should amend that. I do so much reading for my job. I have very little time to read for pleasure. I tend to read for pleasure when I’m on airplanes or trips and I often think, “this is so enjoyable. Why don’t I do this more?” But I don’t have time. After grade school, I went to Austin High School which was an enormous high school. I once read that at the time it was the biggest co-educational public school in the country.

Prof. Brakman Reiser: How big would that be?

Prof. Karmel: 4500 students. Now I think there are other schools that are this big that are high schools but then it was unusual. And so I was a bit overwhelmed by the student body in the high school. It was a much more mixed group of kids than my grade school had been. My grade school was a small group of students who were from very similar backgrounds and stayed together. Since my grade school days were during World War II, very few people moved anywhere so it was a very stable school community. High school was an enormous change. In my grade school class I believe there were 35 students and, all of a sudden, high school had an enormous number of students – many of whom terrified me to be honest. I found them kind of a rough group.

In high school again I was very bookish, and primarily interested in getting good grades. But I should add that my primary interest in high school came through a ballet company that the high school had. It was a bit unusual, but there was a ballet company in the high school and we had ballet every single day at the end of the day. We had lessons we had to go to on Saturday morning. And then we often had rehearsals on Sundays because we put on shows. So this was very much my focus in high school. During the summer I went to National Music Camp as a dance major. But I never imagined I would become a professional dancer. I wanted to go to college. But dance was my primary interest. I should say even.
when I was in grade school I enjoyed putting on theatrical performances of one kind or another. Our great triumph was a performance of Peter and the Wolf which I directed and choreographed. This was in seventh or eighth grade. And when the teachers in the school heard about it, they asked us to come and do it in an assembly in the grade school. So theater was a part of my interest when I was a child.

Thinking back, I would say I was kind of entrepreneurial in various ways. At some point I started a little ballet school with another girl. We gave lessons to other children. So, I always had little projects of one kind or another going on.

Another interest of mine, probably either in eighth grade or the beginning of high school, I can’t remember quite when this started, was pen pals. This was a very popular activity after World War II and there was a magazine where you could advertise that you were interested in having pen pals. So I sent in my picture and I had many pen pals from all over the world. I took this enterprise very seriously. I would come home from school and see what letters I had, and respond to them. I wrote to people in other countries about the United States.

Prof. Brakman: Did you ever travel?

Prof. Karmel: When I was in first grade, my mother, my sister and I went to Phoenix, Arizona for several months. My father’s oldest brother moved to Phoenix and the whole family was supposed to join him. My father studied the Arizona statutes thinking he’d take the Arizona Bar. My sister was in poor health and so we went to Phoenix. The climate was supposed to improve her health. In fact, it rained almost every day that we were there. It was some sort of record rainfall in the desert. She was sicker there than she had been in Chicago. This did not work out as an experiment that was successful and we didn’t move there. But I remember how excited I was about that trip by train across the country to Phoenix. Also, it made a big impression on me because it was during the war and civilians were not really supposed to travel. They used to have signs that said “Is this trip necessary?” So most of the passengers on the train were soldiers. They were really, really nice to my sister and me. She always fell asleep when we were waiting in line for dinner, and they would hold her. They would take care of us. I remember when we got off the train in Phoenix it was night-time. Some of soldiers threw coins at us, pennies, and I didn’t really understand what this was all about. It was as if we were celebrities of some kind. Now that I’m an old lady, I realize they were just missing their own families and children, and that it was really kind of sad. But at the time it seemed very exciting.

Prof. Brakman: Did you have family that was serving in the war?

Prof. Karmel: I had some cousins, some older cousins that were in World War II. My father was just on the cusp of being too old. When the draft age was raised, we were worried he would drafted but he wasn’t. He was just a little too old. I had an uncle who was in the Navy and some cousins who were in the service.

Prof. Brakman: Did it feel like a big influence in your everyday life?
World War II, yes. Definitely. I was very conscious of the war.

Even as a young child?

Yes even as a young child.

And then when it was over and people came back? You were a little bit older. Did that have an influence to you? Did people come back to your neighborhood? Soldiers?

Well what had a big impact on my life personally was that after the war my father got a letter from a Jewish relief organization (which actually had been sent to his father but his father had died in 1941) saying that we had family in France who had survived the war and giving their address. This was a family where the father was my grandfather’s brother but my grandfather had been the oldest child in his family and this man, my Uncle Marco, was the youngest so there was a 20 year difference there. Uncle Marco had three sons and my father wrote to them and said if any of the boys wanted to come to America he would sponsor them. One of them, Charles, did come. I am getting a little ahead of the story here because what I remember that made a very big impression on me is that every week, I would go down to the basement with my father and we would wrap up a food package to send to France to these relatives. And I thought, “why are we sending them food?” “Why can’t they just go to the grocery store and buy some food”. It made a big impression on me that they had no food in France or they had insufficient food and we had to send them food and other things. I don’t know what else we sent. I just remember the food and thinking, “this is very strange, and we’re sending food all the way to France.” And then the oldest boy of that family, Charles, did come to America and he actually lived in our house for three or four years. So, he was my father’s first cousin but he was like a brother to me. I remained close to him, and I also have had some continuing relationship with one of his sons who has become a lawyer in Paris.

What was Charles’ profession? Was he already educated when he came?

No. He missed out on an education because of the war. He was an upholsterer, and a cabinet maker. When he came to Chicago he first worked for a factory, but he had scorn for the way furniture was made in this factory. He claimed the sofas were stuffed with newspaper. He eventually opened his own upholstery shop. And he did go to school in the US. I remember going to his eighth grade graduation where his classmates were primarily immigrants. But that was very exciting for him and for us too.
And did other people in the neighborhood have similar experiences?

I don't know about that. Charles coming to America was something special in our family. And then you asked me if I travelled. My next big travel experience was when I was a freshman in high school. My best friend moved to LA and I wanted to go visit her. My parents said, "no, you can't do that." They had all kinds of reasons why I couldn't go. And then finally it came down to the excuse that parents often use when they just want to say "no" - that it was too expensive. So, I said, "well, if I earn the money myself, can I go?" I suppose my parents were thinking that I would never be able to do this, so they said, "Yes". Then I earned the money for that train ticket, which I believe was $96, something like that. My parents didn't back away, although all my mother's friends said, "you're letting Roberta go to Los Angeles all by herself?" But that was kind of the deal that we had made and they let me go. This was an important personal lesson for me in the sense that at this age of 13 or 14, I can remember thinking "if you earn your own money in life, then you can do what you want and nobody can say you can't do it."

That seems to have made an impression.

It did. It was an important formative experience. And, you may ask, how did a 13 year old girl earn all this money? I was a little stymied because you couldn't get a work permit until you were 15, but I saw an ad in a magazine for selling wrapping paper, napkins, and other personalized paper products door-to-door. All you had to do was mail away for a kit and then you could go around door-to-door and sell these products, and I earned most of the money selling them. Then the rest of it, I earned by babysitting.

Good for you.

I remember counting that money out on the kitchen table and really, I've made a lot of money in my life, but no amount of money I ever made was as thrilling as that $96 for the train ticket to Los Angeles.

Was it a good train trip?

It was. It was 39 hours sitting up on the train. And then I got to Los Angeles where my friend lived. Of course her parents met me. It was Christmas vacation. This was really an interesting place. We went to play tennis on Christmas Day, something you could never imagine doing in Chicago, where it was freezing cold with snow on the ground. And there were all of these pink and blue and yellow houses. It was a little bit of a fairyland place.

Is the friend someone that you are still in touch with?
Prof. Karmel: No. There was a grade school reunion a number of years ago. This was probably 20 years ago and I talked to her on the phone in connection with that reunion. But she wasn't able to come. She was in San Francisco. She stayed in California.

Prof. Brakman Reiser: Are there other friends from when you were growing up that you are still in touch with?

Prof. Karmel: Not really, except for one high school friend who was in the ballet company with me. Most of my close friends in high school were in the ballet company because we were involved with ballet so much of the time. I did make some contact with her a number of years ago and we got together a number of times. Unfortunately, she died a few years ago.

Prof. Brakman Reiser: And were you close with your sister? You mentioned you were three years apart.

Prof. Karmel: Well, we spent a lot of time together. It's hard to say whether we were close or not. I always felt much older than three years older than my sister. I always felt the relationship was that I was a little more like a mother figure to her. We did spend a lot of time together. As I said, she was rather sickly. Everyone in my family had poor health except for me.

Prof. Brakman Reiser: So how did you make the decision to go out east to go to Radcliffe?

Prof. Karmel: When I was in high school, there were two events that brought me to the attention of the authorities in the high school. One was that the American Legion had a school-wide contest in which students were supposed to write an essay on what the Pledge of Allegiance means to me and how I'd live it. And I won. The prize was a silk flag for my homeroom but there was a ceremony with regard to this prize. Also, the school newspaper had a poetry contest and I won that. Then I had what I guess today would be called an internship for the school guidance counselor. Mostly it seems to me what she was doing was trying out various kinds of tests on me. I was the guinea pig test taker. But anyway, the guidance counselor knew me and the principal or the assistant principal knew me because of these contests that I won and they recommended to my mother that I go to a good liberal arts college.

I did not want to go to the University of Illinois because they had sororities and I didn't want to join a sorority. It seems like a very foolish reason not to want to go but that was my mindset at the time. I had a cousin who was at the University of Illinois and I went down there one weekend and I said, "this isn't for me." It's not what I'm interested in for college. I was a very serious student. So these guidance counselors recommended Radcliffe and a few other schools. And I didn't know what Radcliffe was. I said "no, I don't think I want to go to a girls' school." They said "oh it's okay, it's part of Harvard. You'll have your classes with Harvard." "Oh Harvard, I've heard of Harvard," I said, "Okay, I'll put in my application." It was kind of an off-hand decision. But the guidance counselor and I think it was the principal or the assistant principal that really pushed me forward. I would say it was because of them that I applied to Radcliffe and was admitted,
although I can remember having to go for an interview with a Radcliffe alum in one of the North Shore suburbs. These were very fancy suburbs then. They still are. And this woman lived on what had been the theater of a big estate. I was really very shy and terrified of the whole interview and it seemed to me that my mother did a lot of the talking, so I felt that my mother got me into Radcliffe through this interview.

Prof. Brakman Reiser: You were with your mother?

Prof. Karmel: Yes. Someone had to drive me there. She and this lady got on very well and I felt very shy and terrified. How much that interview had to do with it, I don’t know. There weren’t SATs then; there were college boards. I went to a very big high school, with a graduating class of I believe 385 students who graduated in February.

Prof. Brakman Reiser: In February? You graduated in February?

Prof. Karmel: I graduated in February. Only three people from my class took the college boards because only about half the students went to college and if you were going to college, people would say “are you going downstate or to Navy Pier?” Navy Pier was the two year University of Illinois school in Chicago. It was literally on the Navy Pier which is now a big amusement center but if you didn’t have the money to go downstate, you went to Navy Pier. You were a commuter. So that was it, if you were going to college, you either went downstate or to Navy Pier and you didn’t need the college boards for the University of Illinois. So there were three of us who took college boards which were given in some building of Northwestern University on the near North Side. It might have been the medical school. I’m not sure and I remember thinking, “oh I don’t know if I’m ever going to find this place.” I had to take two busses to get there. I was really much more worried about finding the location of the exam than about the exam itself. And, in those days they didn’t tell you how you did. So I suppose I must have done well or I wouldn’t have gotten into Radcliffe. I did not finish all of the math questions. I remember thinking the English part was kind of easy and the math was hard. But they didn’t tell you your grade on the college boards. Actually I went to the University of Michigan for a semester.

Prof. Brakman Reiser: Oh really.

Prof. Karmel: Because I graduated in February and then I was admitted to Radcliffe and I decided I wanted to go there. So in September I went to Radcliffe and it was good that I had gone to the University of Michigan for a semester and taken college courses. My high school really was not a very good school, and I think I would have had much more trouble at Radcliffe keeping up with the other women if I had not had some college courses that I had taken for that one semester at the University of Michigan.

Prof. Reiser: Was it true what they told you? Did you have access to Harvard?
Our classes were co-ed. I think the co-ed classes only started in the 50s. But our classes were completely co-ed. On the other hand, Radcliffe was a separate school at that time. And there were many more Harvard men than Radcliffe women. When the two schools merged, the deal was then there would be 50/50 admission. I'm really sad that my college disappeared, although I am happy that more women now have a chance to go to Harvard.

Do you feel a great affinity for Radcliffe? Did it mold you?

I think it opened up doors for me for the rest of my life. And I think it also gave me a certain way of looking at politics and history and literature that was important. I majored in history and literature which really was intellectual history—that's really what the major was. It gave me a certain framework for looking at politics and events, and even books that I read.

Did you continue on in Boston during the summers or did you go home to Chicago?

Well after my freshman year I went home. I didn't really want to go home at that point but I went home. And, after my sophomore year I got married.

Was your husband also at school?

He was getting a master's degree at MIT the year that we were going out. Then after the end of my sophomore year we were married and we lived in Boston in Back Bay and we did spend two summers in Chicago.

How did you meet if he was at MIT and you were at Radcliffe?

It was a blind date. My roommate was going with some guys on a road trip for the weekend and Paul, my late husband, was the roommate of the person who was going to drive her. And she said "oh, would you go on a date with these people as a favor to me?" I said, "Okay, who are they?" She said, "Oh some dumb engineers at MIT." She never actually approved of Paul. She didn't care for him much. But we got married.

Wow. So what was it like being married when you were in college? Was that common then?

No. I was very anxious to become a grown-up. I wanted to get out of dorm. I didn’t care for dorm life very much. I wanted to be a grown-up. And I was very happy to get married. Also, I guess I have to go back to something that shows the making of a lawyer at a young age. When I was about to go to college, my father said to me, "well you should study something practical. Get a teaching certificate in case you ever have to work". And I said, "well I’ll think about that". And then I said, kind of offhand, "I don’t really like children that much. I don’t think that’s what I want to do." But then he said, "this is very expensive sending you to this eastern school and so the reason that I say that is that I will pay for four years of college but that’s it. Then you’re on your own." And I said, "what if I get
married when I am in school, will you still pay for the rest of college?” And he said “yes.” So when I was going to marry Paul, he was a little concerned about our getting married when I was still in college. He said, “I don’t know if we should get married yet because I don’t have any money or very little.” His parents had both died. And I said, “don’t worry. My father is going to pay for the rest of college.” But then interestingly when it was time to go to law school, I never asked my father for the money to go to law school. I thought, “we made a deal, he paid for the rest of college and now I’m on my own and if I’m going to law school that’s not something I expect him to pay for.”

Right. And how did you decide to go to law school?

Well, I also graduated from college in February.

You were always in a hurry Roberta.

I was always in a hurry to be a grown-up. And even though I started Radcliffe in September, I went to summer school one summer and took some extra courses and graduated in January. And then I went looking for a job. And I found out that despite my fancy Radcliffe degree in Boston at that time, there was no great demand for someone like me in the working world. And I thought I really should do something where I can work for at least for a while because I felt I was too young to start a family. I was only 22 and I wanted to work. And so I decided to take the LSATs because the Dean at Radcliffe did encourage women to go to law school or medical school. That was an acceptable path. So I said “all right, I’ll take the LSATs and if I do well, then maybe I’ll apply to law school.”

Did they tell you if you did well?

Yes. Then they told you how you did. And actually, I remember I did not do as well as some of my male classmates who I took the exam with. And I went in to speak to the Dean at Radcliffe, Dean Kirby Miller and I said, “well I don’t know if this is a very good score because other people have done better.” And she said, “oh it’s good enough to get into Harvard Law School” because in those days, Harvard had just begun accepting women and if you went to Radcliffe and you did at all well at Radcliffe and on the LSATs, you got into Harvard Law School. I said, “well what if I want to go somewhere else? Are they good enough scores to go somewhere else?” She had always thought I was, a bit of a naïve and oddball personality. She had advised against my graduating in February saying “when are you going to have time for reading and reflection?” I’ve always remembered that because I haven’t found the time yet in my life. But anyway, my attitude was if I get into law school, I really can’t go unless I get a scholarship. Paul, my late husband, was also deciding to go back to graduate school and he and I applied here and there. I think we were pretty confident of getting in wherever we applied but we were worried about how we were going to finance this. And Harvard expected my father to pay.

Even though you were married?
Reiser:

Prof. Karmel: Even though I was married. And they wanted my father to fill out a financial statement and I didn’t even want to ask him to do that because our deal had been he would pay for college. So I did not get a scholarship from Harvard. I did get in, but I didn’t get a scholarship and I got a teaching assistantship from Columbia, so we moved to New York and I went to NYU and he got his doctorate degree at Columbia.

Prof. Brakman Reiser: Did you like New York?

Prof. Karmel: No. I really was very homesick for Chicago.

Prof. Brakman Reiser: You never made it back there, though.

Prof. Karmel: I never made it back there. I was homesick for my family and I didn’t know anyone in New York and it seemed very crowded to me and pressured. It took me a very long time to get used to New York. I always considered myself as still being from Chicago somehow. And I don’t think I felt like a real New Yorker until we moved to Washington and then we moved back to New York after that, which was many years later. I thought there weren’t enough trees that the buildings were too close to the street, that there was no room to walk. I don’t know. It just seemed very pressured and crowded to me. But Paul, my late husband, grew up in Manhattan. So, to him anywhere outside of Manhattan was not the civilized world.

Prof. Brakman Reiser: So you went to NYU. Were there many women in your class?

Prof. Karmel: No. And in fact, my father said to me, “why go to law school? You’re a woman; you’ll never get a job.” And I said, “I’m married, I don’t have to listen to your advice.” And another reason I went to NYU beside the scholarship was they started taking women in, I think, around the time of World War I. They had had women there for a long history, not like Harvard which just decided to take them in very recently as a favor. But then when I got to law school, there were very few women there. I think 4 percent of the class was female. I was very surprised. I went around in a fog for most of my life until I was at least in my 30s. I really had my nose in a book. I didn’t know what was going on in the outside world. I got married very young and my husband and I were kind of in our own little world of being a married couple and most of our friends were not married at that point. I was very surprised when I got to law school and there were so few women. I shouldn’t have been, but I was.

Prof. Brakman Reiser: Are there any of them that you became close to?

Prof. Karmel: Well, one distinguished classmate, who I do see from time to time, was Judy Kaye, who became Chief Judge of the New York Court of Appeals. There was one other woman I was friendly with, but I kind of lost track of her. There were
very few of us.

Prof. Brakman Reiser: You hear stories about law school, when they had very few women about ladies’ days and things like that.

Prof. Karmel: I don’t remember anything like that. Now again, maybe I just was in a dream world. I don’t remember anything like that. I do remember there was one professor who hardly ever called on the women but he called on me once. Maybe he thought it was Robert on the seating chart. But he didn’t embarrass me. I think I embarrassed him. I just don’t remember anything like that. Like ladies’ day or other experiences that women my age remember from college and law school. Maybe I was just not aware of activities going on around me.

Prof. Rieser: Did you enjoy it?

Prof. Karmel: Yes, I loved law school. I loved it. And I was very happy because the grading was anonymous. And so when I did very well, I felt I really did this and I deserve it and I didn’t feel I was discriminated against because I was a woman or favored because I was a woman. I felt anonymous grading meant whatever my grades were, that’s what I was entitled to. I worked very, very hard. I don’t think I really knew how to study in college. I learned how to study in law school. I think if I could have gone to college after law school, I would have gotten so much more out of college. I didn’t know how hard I would have to work or how well I would have to do to keep my scholarship, so I just worked as hard as I possibly could because I said, “if I don’t keep my scholarship, I’m not going to be able to stay in school.” And I was always kind of complaining to my husband, saying “I don’t think I’m going to do very well. This is so hard. Blah, blah, blah.” Then when I got my grades, I was afraid to show them to him because after my first year, I was third in the class. And I thought he’s going to say, “why was I listening to you or hearing about how hard this was and how you weren’t doing very well?”

Prof. Brakman Reiser: Did you have an affinity for business law in law school?

Prof. Karmel: No. Not particularly. In fact, I remember disliking my corporations class. I liked the procedural classes because I felt that was more of the real law that’s only for lawyers, whereas the substantive classes maybe anybody could learn that. So I really liked the procedure classes: jurisdiction, federal jurisdiction. I remember liking future interests very much because it was completely abstract. It was like geometry, which was my favorite high school subject.

Prof. Brakman Reiser: Funnny. Me too. And I love future interests. So was your father right? Did you have trouble finding a job when you finished law school even though you did very well?

Prof. Karmel: Yes. Yes I did. I still feel somewhat aggrieved that I did not have the opportunity to clerk for a judge because this was a very controlled process. You could only go on interviews that were set up for you by the school and I went on one interview where the judge said, “I only hire people from Columbia.” I went on another interview where the judge said, “I don’t hire women,” and I can’t remember the third interview. So I did not clerk for a judge and the big law firms were mostly
not hiring women. I remember my classmate Judy Kaye wanted a job at a big law firm. And she went on, I don't know 20, 30 interviews. I don't know how many. I said, "Judy, why are you doing this? They don't want us. I don't want to go to a place that doesn't want me." And, in fact, I remember one of the few callbacks that I had, which was very painful. It was one of the big fancy law firms. They took me around and I was awed by the environment. And then the person who was escorting me said, "well, but you know we already hired a woman." And Paul remembered, "that was the interview where I met you afterwards and you were sitting on the stairs of that building crying." Or maybe it was a fire hydrant. Somewhere outside. We were on our way to Chicago probably for Christmas vacation.

Prof. Brakman Reiser: Did NYU help you try to find a job in those days?

Prof. Karmel: Not that I recall. I went to work for the Securities and Exchange Commission in New York. The government was not especially hiring women either. This was before the Civil Rights Act. So nobody had to pretend to be welcoming to women. And I say that law firms weren't especially hiring women, although a few would hire maybe one. And the SEC also was not generally hiring women. But there was some kind of an honors program I applied to in New York. And a man who was a deputy to the regional administrator had a mother who was a lawyer, and he decided that the office should hire a few women. So I was admitted into the honors program in the New York regional office and when I got there, much to my pleasant surprise, my boss who was a branch chief was a woman. And there were a few of us in the New York regional office. There were not very many anywhere else at the SEC at that time.

Prof. Brakman Reiser: Did you know anything about securities law?

Prof. Karmel: I did. I did. My father had always been very interested in the stock market and always talked to me about the stock market. Even though he was a lawyer, his second interest was the stock market. And he talked about investing in the stock market. In that period of several months after I graduated from college and before I started law school, I worked for a small over-the-counter brokerage firm in Boston. What made me think to try and get a job there was, as I said, I had trouble; nobody wanted a Radcliffe intellectual for any reason at the time. But I persuaded someone at the brokerage firm that I was interested in the stock market and that I would like to work there. And it was a very good experience for me because I worked in the trading room of this small over-the-counter brokerage firm at a time when all records were kept by hand. This was pre-computerization and I kept track of the traders' positions. They were supposed to be flat at the end of the day and they would yell out to me to ask whether they could put on a position or not. I'd say, yes or no. I was computing their positions all day long on a little Friedian calculator. I also answered the teletype machines when they would ring first thing in the morning.

Supposedly, I was an assistant to the security analyst and he took me to a few annual meetings. I remember one was a company that made desalination devices for brackish water and I went, and I really did not particularly understand what
this product was all about but then he told me, “write this up.” “Write it up? What am I supposed to say?” He said, “well you know only bulls make money on Wall Street.” I got my scientist husband to explain to me what this product was all about from some of the papers that I brought back from the meeting. And I could always write. So, I wrote up a little story about the annual meeting and their products and, then, to my great surprise, when I got to work two days later, the firm was sending this out to all their customers. I had never heard of the SEC at that point in my life. I’m not sure this was on the up and up. But theoretically, my title was, assistant to the security analyst, although I did very little work for him. He was a very nice man who had a house on Beacon Hill. I felt it’s great to be able to have a house on Beacon Hill. And then when I told him I was going to law school after I had worked there for several months. He said, “law school, why are you going to law school? I see a big future for you in the securities industry.”

He knew I guess.

I got paid $40 a week in cash every Friday and I used to walk from downtown Boston to where I lived in Back Bay with that money in my pocket feeling so rich. I did not realize that the reason securities firms paid everybody in cash every Friday is that sometimes on a Friday they would say to you “and don’t come in any more, you’re fired.” But that didn’t happen to me.

So you had something on your resume about the securities industry when you applied for the job at the SEC?

Yes. It was very helpful because I had a little bit of an idea of what the brokerage business was about. Not a lot, but more than most of the other young lawyers who started working there. In 1962 when I went to work for the New York regional office, the SEC was on the verge of a very large expansion. This was the beginning of the Kennedy administration. We had to get the country moving again. And Bill Carey, Professor William Carey from Columbia, had been named chairman of the SEC and the New York regional office went from six enforcement attorneys to 30. So I went in with a group of 30 young lawyers all of us right out of law school.

It sounds like it could have been a lot of fun

It was a lot of fun. It was a lot of fun and I ended up with seniority over all of them but only by about two weeks. This was because I showed up with my acceptance letter in my hand, in August, sometime in August, after I took the Bar exam and Paul and I went on a vacation with my parents. I went to the office when we came back to New York and they said, “oh, you’re not supposed to start work for another two weeks.” I said, “what do you mean? I have a letter that says I’m supposed to start today, this is an offer and acceptance.” They said, “oh but the personnel officer is on vacation.” I said, “that’s too bad, I’m staying. I came back from vacation to start work and I need the money. I need a paycheck.” And I just sat there until somebody dealt with me. So, I started two weeks ahead of the rest of this group of 28 or 30 or however many of it was. So, I had a tiny bit of seniority over everybody else.
Prof. Brakman Reiser: I think that’s enough right now. We will pick up with your early days at the SEC at our next interview.

Prof. Karmel: Okay.

Prof. Brakman Reiser: Thank you.
Prof. Brakman: I am Professor Dana Brakman Reiser and I am here with Professor Roberta S. Karmel, my colleague on the faculty of Brooklyn Law School. Today is March 28, 2013 and we are doing our second interview for the ABA Women Trailblazers Oral History Project. Thank you for meeting with me again today, Roberta. Before we start where we left off, I want to go back for a moment and ask you about the Bar exam. Do you remember studying for it?

Prof. Karmel: Yes.

Prof. Brakman: Was it a difficult experience?

Prof. Karmel: No, as a matter of fact, it was very boring. There were two different Bar review courses. One was all day, I think 8 hours, and the other was the Practising Law Institute (PLI), an organization with which I later had a very long association. PLI did a three-hour night Bar review course in Town Hall in New York. And all of the people on Law Review went to that. We thought, "oh we don't need to go all day long. We can go three hours at night." But one of the things I remember, that is relevant to this interview, is that I brought a thermos of coffee every night and sometimes some snacks for everybody else--such a female kind of endeavor. The review course itself was okay but studying during the day was extremely boring. I took the Bar exam in what is now Fordham Law School, which was then under construction at Lincoln Center. I used to use a fountain pen in those days and carry a little bottle of ink and I filled my fountain pen two, three, maybe four times. We lived on 44th Street between 9th and 10th Avenues and I walked home from Fordham Law School (about 20 blocks) thinking to myself, "I am never taking another exam again in my entire life." I was so happy to be through with the bar exam. That night I gave a big party for my friends and people still talk about that party. "Oh, she gave a party the night of the Bar exam." I was so happy to be through with school, and the Bar exam. It never occurred to me that I might not pass. I did pass. It would have been devastating if I hadn't.

Prof. Brakman: Going back to then when you started work at the SEC in the New York regional office, do you remember the first project they gave you?
Prof. Karmel: Yes, I do. It wasn’t the very first project. Since I got there early they had me digesting testimony for a week. But then one of the first cases, if not the first case that I had, I have thought of recently because of passage of the Jobs Act legalizing crowd funding, which I think is a bad idea. My first case involved a company called Lord Adam Lady Eve Cosmetics. The company manufactured cosmetics for African-Americans and the stock was sold in New Jersey door to door by milkmen to housewives. Whenever I would call one of the investors who, of course, lost their money, because the company went bankrupt, I would ask, “why did you buy this stock, what were you told? “Oh it was only 10 cents a share,” they would say. “Yes but, it was worthless in the end,” I would reply. “But it was only 10 cents a share,” the investors would reply. It was difficult to have an action for an injunction approved because the total amount of money lost was under $200,000. This was a small potatoes case but finally it was approved. Although the company in the meantime had gone bankrupt so we couldn’t sue the issuer, we sued the milkmen as unregistered broker-dealers.

Prof. Brakman: Because the milkmen sold the stock, not just the cosmetics?

Prof. Karmel: Oh they didn’t sell the cosmetics. They were selling the stock door to door with the milk that they were delivering to the housewives. This was crowdfunding before the Internet. I went with Irene Duffy who was my branch chief to the District Court in New Jersey all fired up, prepared to argue the case and get an injunction. I think we asked for a TRO which seems bizarre but that was standard practice in those days at the SEC. The judge looked at Irene and me and said, “oh two ladies. If I knew two ladies were going to come into my courtroom, I would have gotten a haircut this morning. Where would you like me to sign these papers?” I was very disappointed; I didn’t get to argue my case. And, it was kind of a putdown really.

Prof. Brakman: Did you handle a lot of cases with Irene Duffy?

Prof. Karmel: She was my branch chief. Later, in 1965, I became a branch chief. I started in 1962. So after a few years, I became a branch chief. And I worked on a lot of different cases. I worked on one case really practically from the time I got to the SEC until after I left the Commission. I had to come back and argue it at the Commission. It was a case against a number of broker-dealers for manipulating the market in a stock called American States Oil Company and also for margin violations because they were really financing the manipulation through illegal extensions of credit. The case had initially begun as a criminal contempt proceeding against somebody named J. Tom Grimmett who was from Oklahoma and ran a company called American States Oil Company. It had a very simple fraud. The company filed a
lawsuit against the City of Long Beach claiming that the company had property rights to all of those oil properties and oil rigs off the City of Long Beach. It didn’t have a shred of a claim, but it used this lawsuit to sell stock. And a lot of broker-dealers got caught up in this scam. So J. Tom Grimmett had been enjoined for selling stock that wasn’t registered and I was supposed to investigate and write up a criminal contempt case. But in the meantime he was convicted in New Jersey for carrying a concealed weapon and sentenced to go to jail and on the way to jail he shot himself. The claim was it had been an accident because he was shooting jackrabbits in his backyard, and he tripped and shot himself. We felt he owed money to the wrong people and didn’t want to go to jail. In any event, since the case against J. Tom Grimmett was thus ended, we decided to bring a case against all the broker-dealers who helped him with his fraudulent schemes. It took a long time to investigate this case. I went to Pauls Valley, Oklahoma which was the home or had been the home of J. Tom Grimmett. Among other things he was doing was check kiting but that was okay because his brother was the CEO of the local bank and his brother-in-law was the Postmaster. So this family kind of owned this little town.

Prof. Brakman: You went there to investigate?

Reiser: We went there to investigate. And the big fear of the people related to Grimmett was that we were from the insurance company because they were claiming double indemnity on a life insurance policy on the life of J. Tom Grimmett. We were not from the life insurance company; we were from the government. That seemed to worry them a little less. Anyway, to make a very long story short, we got immunity for the son-in-law, which was an unusual procedure, and so he turned state’s witness and we recommended this case for prosecution against four brokerage firms and various associated persons. I was told at the time, “you can’t bring this case, it’s against member firms.” “Member firms, members of what?” I asked. I was very naive in those days. I said, “well they’re crooks aren’t they? Why can’t we bring the case? Does it matter what they’re members of?” This shows the mentality at the SEC in those days.

Prof. Brakman: What were member firms?

Reiser: Members of the New York Stock Exchange. They were too big and powerful to be sued. Today that’s called, too big to jail. It is said of the big banks. And that was the attitude in those days towards New York Stock Exchange member firms. There were three of them that were respondents in this case and another non-member firm. The staff in Washington sat on that case for a year before we finally got the authority to bring it. And then the trial took a year. So this went on for years. It was the quintessential federal
case which people talk about rather sarcastically.

Prof. Brakman: And do you do all those components? You worked on the original complaint papers before Grimmett's death, you did the investigation personally, and you worked on the trial?

Prof. Karmel: Yes. And I really learned to be a lawyer on that case because since the respondents were member firms, they had very good counsel. On the other side we had Arnold & Porter, Fried Frank, Strook, Strook and Levan and Satterlee, Worfield and Stephens. These were excellent firms on the other side. And in fact the lead lawyer on this case was Alvin Hellerstein who much later in life became a federal judge. We thought he was a partner in Strook, Strook and Levan but in fact he was an associate about to be made a partner, and became partner on this case. When I went to his investiture as a judge, I said to him, "you know I made your career on the case against Carl M. Loeb Rhoades." We laughed about it. But I really learned to be a lawyer because the lawyers on the other side were experienced and competent. They were great lawyers and they taught me a lot. They included Sam Harris, Arthur Fleischer and Milton Friedman. And I've always been very grateful to them for everything they taught me about how to practice law. Eventually, the case against most of the respondents was settled, although those of us on the staff were not too anxious to settle the case. We wanted to try it, to get trial experience. But it was settled against most of the respondents although it continued against D.H. Blair and eventually there was a Commission decision vindicating our position.

Prof. Brakman: When you were working with those other lawyers and you said you learned so much from them, was it unusual for them to be opposing counsel to such a junior attorney?

Prof. Karmel: Not necessarily at the government. What was unusual was for a case like this to be tried at all because it was against member firms. There were no other cases brought against member firms or not very many. And it was unusual for lawyers of that caliber to be trying an administrative law case, and especially against someone so junior.

Prof. Brakman: Did you ever feel in your interactions with them that they thought this was a case that shouldn't have been brought?

Prof. Karmel: Oh yes. Oh yes. They would talk very dismissively about the staff but I remember thinking, "well they are so much more experienced and probably more competent than I am, probably smarter, but we have the facts on our side. And we have to somehow outwit them, because otherwise we're going to lose." Very early on in the case I persuaded them to stipulate to the introduction of all the documents. This was very important because persons who could have authenticated these documents were actually deceased. So I
could never figure out how to enter all these documents in evidence. One of the advantages the staff had was that the hearing examiners (they weren’t called administrative law judges in those days) were kind of on our side and helped us out, because they worked for the SEC. It was an interesting learning experience. And kind of exciting.

Prof. Brakman: It sounds like you did a lot of making your own cases.
Reiser:

Prof. Karmel: Yes.

Prof. Brakman: Going out and finding the facts. Were there other examples of that?
Reiser:

Prof. Karmel: Right. All our cases were like that. We did the investigations and then we prosecuted the cases. Most of the cases we brought in those days were actually injunctive actions in the District Court. Many of them were against failing broker-dealers who were in violation of the Net Capital Rule, and we were trying to put them out of business. We also brought a number of administrative actions that were fraud cases of one kind or another in the sale of stock. Most of the cases were quite routine. When I say we, I mean at that point even when I was trying this D.H. Blair case, I was branch chief. So I had six or seven attorneys working for me. So I tried that case with two of the attorneys in my branch.

Prof. Brakman: And I know you told me in the past about some other investigations you did on interesting cases where you had to go to unusual places. Weren’t you once asked to wear a wire?
Reiser:

Prof. Karmel: Yes. We were playing a lot of cops and robbers in those days. It was before Watergate. Doing criminal investigations at least in that office was something of a lark and there was a case I was working on where a lot of the conspirators used to have a meal together at Lou Siegel’s restaurant in Manhattan. Someone at the SEC got the idea that I should be wired and go and sit at the bar and get a tape of what they were talking about and I said, “are you kidding? All those guys know me. They call me the pregnant enforcer. Here I am pregnant again and you think I’m going to be able to go incognito to Lou Siegel’s restaurant with a wire on and pick up some useful conversation. I’m not going to do that. You are going to have to get somebody else.” I don’t believe they ever did it at all.

Prof. Brakman: It sounds like you’ve had some colorful experiences.
Reiser:

Prof. Karmel: Well this Oklahoma case was the most unusual.
Prof. Brakman: You certainly didn’t blend in, I’m sure.

Reiser: No, no. I remember the accountant for this American States Oil Company had offices above a drug store in Enid, Oklahoma. And I went with one of the attorneys from my branch to interview this accountant because we knew we would have to get him to testify. So we started out asking, “when did you become a CPA?” He said, “well I’m not exactly a CPA.” “So where did you go to college? And did you study accounting?” “Well, I didn’t exactly graduate from college.” And it went on like this. And then we ask our states witness, the son-in-law of J. Tom Grimmett, how come you went to this accountant? He said, “oh, he was the cheapest accountant in these parts.” So that was typical of that particular case.

Prof. Brakman: Were most of your cases here in New York, that one being the exception?

Reiser: Yes. Most of the cases were against small broker-dealers in the New York area or issuers who were selling stock in New York.

Prof. Brakman: Did you get tips? How did you find out about cases?

Reiser: Well a lot of the broker-dealer cases were based on SEC examinations of the broker-dealers and I went on a number of those. This was the aftermath of a stock market crash that occurred in the over-the-counter markets in 1959 and in the 60s, we were just sort of cleaning up the mess from that particular boom and bust period.

Prof. Brakman: How did it happen that were promoted to branch chief? Was that a standard career path?

Reiser: Well as I explained, I believe, in the first interview, there were approximately 30 attorneys hired along with me, so we were a big group and there had been very few experienced attorneys in that office beforehand. I think there were only six attorneys total in that office before we all came. So because the organization of the office was four branches composed of attorneys and investigators, the office had to take some of those who were not all that experienced and make us branch chiefs.

Prof. Brakman: How did your job change when you became a branch chief? Did you add managerial responsibilities?

Reiser: Yes, but I had many more managerial responsibilities when I became an assistant regional administrator. I was 29 years old and I had 50 people working for me. It was a bit daunting. The attorneys (approximately 6 or 7
in each branch) were all fairly junior like I was. We were all about the same age actually. But then the investigators were all older men. No women. All older men. Many of them didn’t think that a mother should be working to begin with and I was so young. But since I was a lawyer and many of them had not even gone to college, they respected me and they were very nice to me and they took care of me, as I had one pregnancy after another in that office. And then a lot of secretaries were under me. That actually was the hardest part of the job. Dealing with all the secretaries.

Prof. Brakman: What made it hard?

Reiser: There always seemed to be personnel problems with the secretaries of one kind or another. It was daunting. It was a big challenge. But I managed it.

Prof. Karmel: And you said you were starting your family at the same time?

Reiser: Yes, I had three children during the years I worked at the New York office of the SEC.

Prof. Brakman: So how did you manage to balance all that?

Reiser: As I said, they called me the pregnant enforcer. First of all, people did not work the ridiculously long hours that they work today in private practice or in the government. And my husband was still working on his dissertation for a doctoral degree when we had our first child, so he was in the apartment a lot, although we hired a full time person to take care of the babies as they came along. So I always had full-time help in the house. And I worked hard like all working mothers, and I was tired a lot. But fortunately for me, I had pretty easy pregnancies and my children were healthy so there were not health problems. I just persevered.

Prof. Brakman: Did you ever think about working less or staying at home?

Reiser: Later on, after I left the government. But that is skipping ahead. We’re not there yet.

Prof. Karmel: But not at that time.

Reiser: No. First of all, we needed the money and this is a theme for all the years that I worked so hard. We needed the money. For a variety of reasons, I felt financial pressure to make a good salary and I always had a very good
income. A lot of women in those days said, “oh it doesn’t pay for me to work. I have to pay so much for someone to take care of my children. So it doesn’t pay.” But it always paid for me to work. I always had a good job.

**Prof. Brakman** Did you also enjoy your work? It sounded like you did.

**Reiser:**

**Prof. Karmel:** I did.

**Prof. Brakman** And your colleagues? Are there some you’re still in touch with from that time?

**Reiser:**

**Prof. Karmel:** Yes. From that time. Yes.

**Prof. Brakman** Who are they?

**Prof. Karmel:** Lawyers from the office. Almost everybody who was in that office is retired or deceased. So there’s not that many around. But I still have some contact with a few people from those days.

**Prof. Brakman** Tell me about your children. You said you had three children during the years you were at the SEC.

**Prof. Karmel:** Right, three boys.

**Prof. Brakman** And your husband finished his dissertation.

**Prof. Karmel:** He finished his dissertation and became a professor at City College School of Engineering and he continued with that job the rest of his life. He loved teaching and he loved City College and the students and it certainly made it easier for me to be married to an academic. He had more flexibility than I did.

**Prof. Brakman** It’s very lucky that he got a job at City College. Right. For an academic it’s not easy to find a local position.

**Prof. Karmel:** In those days it wasn’t as hard as it is today.

**Prof. Brakman** So he basically just looked for jobs in New York.

**Prof. Karmel:** Yes.

**Prof. Brakman** Were you living in Manhattan?
Prof. Karmel: We lived in Manhattan until 1967, which was after my second son was born. We actually moved out to the suburbs in 1967 when I was pregnant with my third son. The city at that time was kind of dangerous, not in good condition. We lived on the Upper West Side, which now is a very trendy expensive neighborhood but was then falling into being not a very good neighborhood. We lived on West End and there was a single room occupancy hotel between our apartment building and Broadway. It was catching fire all the time because the men who were there were mostly drug addicts and they were out on the streets and it was kind of a threatening place. In addition to that, my oldest son had to go to nursery school and I was not too happy about this whole private school business. My brother-in-law had sent his children to a school called the Town School, which was on the east side. I didn't have time to investigate schools and I didn't even believe in sending children to private school, so I said, "oh, if Alex thinks the Town School is a good school, good enough for his kids, it's probably good enough for our kids. I'll apply for Philip to go there." But he didn't get in. I didn't really have alternative plans for him. In addition, in the six month period, right before we moved to the suburbs, there was an elevator strike and we had a manned elevator building and we had to walk up six flights of stairs with two little kids and I was pregnant. There was a garbage strike. We had a leak in our dining room and the wall collapsed and since we were in a rent-controlled apartment, fixing up that apartment would have been our expense. In addition to that we really needed a bigger apartment at that point and in those days, you could not finance a co-op and we didn't have the money to purchase a co-op that would have been adequate for us. My late husband grew up on the "Upper West Side and he said, "you know it's the same neighborhood I grew up in and it's so much worse than when I grew up here. I don't want my children growing up in my neighborhood when it is declining." So we moved to the suburbs. When a friend of ours heard we moved out of New York, he said "it's the end of the City!" And it was for people like us for about 25 years.

Prof. Brakman: So you started commuting.

Prof. Karmel: Then I became a commuter. In fact when my son Philip was in nursery school and a teacher went around the room and asked children what does your mother do what does your father do? His answer was, "oh my mother is a commuter." This was not too long before Penn Central went into bankruptcy and I had a lot of problems commuting. I also had a lot of problems getting household help. It was a very difficult period. In addition to that I decided to leave the SEC. This was the late 60s. Although all the men who were leaving the Commission obtained jobs in a couple of weeks, it took me an entire year to find a job. Then, I had offers from two law
firms on the very same day. I had to choose. I chose to go to Willkie, Farr and Gallagher.

Prof. Brakman: I definitely want to ask you more about that. Before we talk about your move to private practice, I had a couple of more questions about your time at the SEC.

Prof. Karmel: Okay.

Prof. Brakman: I noticed that in addition to becoming branch chief you eventually became the Assistant Regional Administrator.

Prof. Karmel: Yes.

Prof. Brakman: Is that another situation where they just needed to make some folks part of the hierarchy?

Prof. Karmel: I don’t think so; I think that was more competitive. I think they were both competitive promotions. I don’t want to put myself down. Becoming a branch chief was based on my talents. It was still unusual for someone that young to become a branch chief, someone that junior. But then becoming an Assistant Regional Administrator was, I think, because my branch was the best branch. There were only four. So you became an Assistant Regional Administrator, then you had two branches under you. This was the point at which I had 50 or so people working for me, including the Managing Clerk’s Office.

Prof. Brakman: Did you have more contact with Washington when you took on that administrative role?

Prof. Karmel: Yes, somewhat more contact. There were a lot of problems in the New York office during this period. There was a change of the Chairmanship, Manny Cohen became the Chairman of the SEC and it had generally been the custom up until that time for whoever was head of the New York office to tender his resignation. The man who was head of the New York office did not do that and there were other problems, involving vague allegations of corruption, and there was an investigation by Washington of the New York office. There was a lot of turmoil. Eventually the Regional Administrator left and someone from Washington was made the Regional Administrator although that took months, and months. Washington wanted to have the head of the office leave and when he left, they didn’t seem to have anyone in mind to appoint to replace him. It was a very chaotic situation, administratively.

Prof. Brakman: And did the New York office have a lot of independence?
Yes.

We had a lot of independence, but at the same time in order to bring any case we had to get an order from the Commission, from the five Commissioners. And that went through staff in Washington.

Right.

So we had independence but we also were under the staff in Washington. And all the staff was under the five Commissioners. Actually at that time, my attitude toward the Commission itself, the five Commissioners, was, "who are these people in Washington who are keeping me from going to court? I have to wait for their permission while there are ongoing frauds and I can’t stop them." I thought of that sometimes when I became a Commissioner; the staff continued to be rather independent in many ways. But that had been my attitude too when I was a staffer.

Did you come to know any of the individuals in the DC office while you were working in New York?

Yes, some of the individuals in the Enforcement Division. Yes. I came to know Stanley Sporkin who later became head of Enforcement. I came to know a lawyer named Art Matthews who started at the Commission the very same day I did and we worked together on some criminal investigations. One that was rather colorful was against a man named Marvin Hayutin who committed a number of frauds. The Department of Justice had a sealed indictment against him and to my surprise he was arrested one day at the airport entering the country. He had to be tried twice because the first case against him resulted in a hung jury. So that was another case that went on, on and on. I worked with Art Matthews on that case and some others. This was part of the distrust of the higher-ups in Washington of the New York office that they paired me with a Washington enforcement attorney, but we had a good time investigating criminal cases. And I spent a lot of time in those days over in the Southern District with the Assistant U.S. Attorneys on these criminal cases.

Were any of your law school classmates’ folks that you ran into early in your career?

No.

Were other folks you graduated with from the Law Review in these circles
Reiser: at all? I know you decided to leave the SEC and it took some time to find a position that you wanted to take.

Prof. Karmel: A year.

Prof. Brakman But what made you decide you wanted to leave?

Reiser: All my friends on the staff had left. I began to find the investigation of fraud cases becoming a bit boring. They all seemed pretty much the same to me. And I felt that if I went to a law firm, I would become a better lawyer. I was ambitious. I wanted to move on and develop my career. And I wanted to go to a law firm. In those days, law firms had just begun to hire any women at all. I had a very hard time. I interviewed at one law firm and I was told afterwards by someone who had encouraged me to interview there, “well, they were very impressed with you, but they thought you are a very ambitious young attorney, you will want to become a partner and while we are ready for female associates, we’re not ready for a female partner.” I did not get an offer.

Prof. Brakman And were you looking for a partnership at that time?

Reiser: No, it was not then common for someone at my level to leave the SEC into a partnership at a big Wall Street firm. I was looking to be a senior associate with the prospect of becoming a partner. And that was a very difficult job search for a woman very, very difficult. So, I finally got two offers on the very same day. This was the 60s, law firms really were looking for associates with some experience at that point. There was a lot of hiring going on. And so I finally landed a position. My options were to go to Willkie Farr & Gallagher and work primarily for Ken Bialkin or to go to Marshall Bratter and work for Mark Kaplan, who was a partner there. They were each looking for somebody with experience in securities law. I often wondered since both of these men eventually ended up at Skadden Arps, what would have become of me if I had chosen a different path, although Mark Kaplan went in-house to Englehard Minerals & Chemical Corp., in between.

Prof. Brakman So what made you choose the Willkie offer instead of the other?

Reiser: It was a more established firm and I talked to my father although he was a lawyer in Chicago and didn’t really knew that much about either firm, but he thought Willkie Farr would be a better place for me to go. It was kind of an arbitrary decision actually.
Did you have mentors who helped you at all in the job search process?

Encouraged you in that year.

No.

So it sounds like it was a very lonely process.

It was a very difficult process. In addition, I was beginning to have a lot of personal problems because my late husband came down with Hodgkin’s Disease, which is a cancer of the blood. Before this was diagnosed, he was sick all the time. So it was a very difficult period at home for that reason. And some other reasons, such as we had trouble getting household help. Finally, I got this job at a big firm. And that was good because then I was beginning to feel somewhat pressured financially because I really wasn’t sure of my husband’s prospects or of his longevity. I mean at that time most people, if not almost everybody, who contracted Hodgkin’s Disease, died. He went through very radical, experimental radiation therapy. Although he survived and he never had a reoccurrence of the Hodgkin’s Disease, he always had health problems after that because he really had too much radiation. They don’t treat any diseases like that anymore, with those massive doses of radiation. So this made a difference in terms of my commitment to my career because I felt financially I had better stick to being a lawyer and making a good salary.

Right.

And you asked me earlier was there ever a time that I thought of not continuing to work. Well, after I started working at Willkie Farr & Gallagher, I had my fourth child, my daughter. When she was born, I really wanted to take off from my career for a while, I mean with four children and a sick husband. But I felt pressured financially. And almost I did, but there was no such thing as part-time work in those days. Today, I probably would just have said that I have to go part-time. So when I was still pregnant with Miriam, I went in to see Ken Bialkin who was basically my boss and I said, “I don’t think I can really continue this life of commuting from the suburbs, with so many children. I can’t seem to get reliable household help and I think I’m going to leave the firm.” And it was a very important turning point in my life because he said, “that’s ridiculous, you’re too good a lawyer. You shouldn’t leave the firm. I want you to keep on working for me. I’ll give you a raise so that you can have more help at home.” And so I hung in there. So I continued working at Willkie Farr & Gallagher for him.

It sounds like he was a very good boss.
Reiser:

Prof. Karmel: Yes he was, he really was a mentor to me and that continued but I don’t want to get ahead of things.

Prof. Brakman: Sure. When you were at the firm, how did your private practice compare with what you had done in the government?

Prof. Karmel: I did a lot of regulatory work. Ken Bialkin represented a large number of small broker-dealers that eventually were gobbled up by Sandy Weill. I guess he was building his empire. Sandy was really Kenny’s client. And I did a lot of work for all of these broker-dealers and it was primarily regulatory work. That’s what I was hired to do. I also did work for some hedge funds. In fact I created a hedge fund that became enormously successful. And that was interesting. I also did work on the margin rules because this was a period of high interest rates and clients were bumping up against the margin rules. I also worked on some litigation, securities litigation, mostly SEC investigations. But primarily I did regulatory work for broker-dealers.

Prof. Brakman: Your administrative situation must have changed a lot coming from being in this managerial role as the Assistant Regional Administrator to being a senior associate.

Prof. Karmel: Yes.

Prof. Brakman: Were you pleased to leave the supervisory responsibilities behind? Or did you miss running a team?

Prof. Karmel: I didn’t really miss running a team because I didn’t feel that was really practicing law. It was interesting. It was challenging. I enjoyed it. But I can’t say that I really missed that. On the other hand, it was a little difficult to fit into the hierarchy of a Wall Street firm. Socially, I didn’t really fit in. There were extremely few women, no women partners. Then I became pregnant, which was considered unprofessional; I guess that’s the nicest way I can put it. People disapproved of having a pregnant attorney around the office. That said something about the times. But then all my friends who were teachers had to quit as soon as they became pregnant. So going back to when I was at the SEC, I thought, “this is a great job, they’re not making me quit my job because I’m pregnant.” I felt that way again at Willkie Farr, but being pregnant was more awkward, more socially unacceptable.

Prof. Brakman: There were fewer women than there had been at the SEC.
Prof. Karmel: There hadn’t been too many at the SEC either but yes, there were even fewer.

Prof. Brakman Reiser: So while you were at Willkie Farr, you found a mentor in Ken Bialkin. I wonder if there were junior lawyers that you began to be a mentor to. I know you certainly had that role here at the law school. I don’t know if that’s something you did at the law firm.

Prof. Karmel: I did work with some junior lawyers on some cases. Two of them I believe moved to Hastings-on-Hudson (where I lived) because of me. But mostly I worked on my own. An awful lot of my work was on the phone. Today this kind of work is really done in-house and often by compliance departments. It was on the phone, off the top of my head regulatory advice. Someone in-house at a brokerage house would call me up and say, “can I do this trade, or can I do this or can I do that?” And I would just give them advice on the phone, sometimes followed by a memo. Most of the time I did not work on big projects that would be staffed with a lot of associates. On a few litigations or when I organized a hedge fund, there was a junior lawyer involved doing some of the drafting. The biggest matter I worked on was the takeover of Hayden Stone by a firm then called CBWL, which stood for Cogan Berlind Weill and Levitt-- that was Sandy Weill, Arthur Levitt who later became Chairman of the SEC, Marshall Cogan, who left the securities business, and Roger Berlind, who suffered a personal tragedy. His wife and children were killed in a plane crash, except I think, for one child. So he also left the securities business and became an impresario. If you look at the Playbills of a lot of successful Broadway shows, he is the producer. Anyway that was Cogan Berlind Weill and Levitt, but Sandy Weill really was the brains of that operation.

Hayden Stone was a very large established New York stock exchange firm that was going under. CBWL agreed to take them over. But CBWL was so much smaller than Hayden Stone that they had to go onto the books and records of Hayden Stone in order to do this deal. In addition, they didn’t have enough capital to do the deal, so the deal was actually financed by the New York Stock Exchange, which became a preferred creditor. They bought preferred stock. And CBWL was very worried about the short differences. This was part of the paperwork crisis. It was one of the reasons Hayden Stone was going under. The person who was then running the back office of CBWL was somebody named Frank Zarb who also went on to bigger and better things and eventually (in 1972) became head of the NASD. He and I worked out a formula. It was his idea but then I did the legal work to make it happen so that this deal could go. CBWL could return to the liquidating firm called HS Equities, which was really being run by the New York Stock Exchange, any accounts that had short differences, so they would not be stuck with these liabilities. Anyway on that deal, there were a lot of us who did the work. It was a very large, interesting matter and then a
year later, the firm did a public offering and Sandy Weill made his first million dollars and I worked on that. On both of those matters I had some pretty responsible tasks to do. On the acquisition of Hayden Stone, I had to get the new firm to acquire all of Hayden Stone’s memberships, not only on stock exchanges but on commodities exchanges. At that time, commodities regulation was in the Department of Agriculture and I was working on that end of things. Also, I had on that deal what I always jokingly say was my greatest experience of exercising power on Wall Street. The deal was supposed to close on a particular day and it was touch and go as to whether it was going to close or not because the subordinated lenders of Hayden Stone had not yet consented to the transaction. I had the job of calling the New York Stock Exchange the next morning to tell them whether the deal had closed or not overnight because if the deal had not closed, the Exchange was not going to open because Hayden Stone’s name wouldn’t be recognized on the floor and it would have been complete chaos, something like what happened when Lehman Brothers went into bankruptcy in 2008. I would say that this was my big exercise of power. I got to call the New York Stock Exchange to tell them that the deal had closed and that they could open that day, that morning. I remember most of the lawyers working on the deal stayed in the office overnight, but I went home and took the first train in from Hastings which I think was 5 o’clock in the morning. I can remember seeing the sun rise over the Hudson River and thinking, “well, did the deal close or not? Am I going to phone the New York Stock Exchange and tell them to open when I get to the office?”

Prof. Brakman: Wow.

Reiser: That was very exciting and working on the public offering was also very exciting. I had the job of responding to the SEC’s letter of comment on the registration statement and I wrote a lot of the registration statement that had to do with technical parts of broker-dealer regulation. Much later on, I think I was a Commissioner by then, Mickey Beech who was the branch chief at the time and a very well regarded person in Corporation Finance told me, “oh, I worked on that, and Roberta that was the longest letter of comment I had ever sent out.” So that was quite a massive undertaking. There were a lot of us who worked on those two deals which were two years in a row over a Labor Day weekend.

Prof. Brakman: So, it sounds like you wanted to have a more rich and varied kind of practice by going to Willkie Farr and you definitely got it.

Reiser: Yes. I worked on a lot of very interesting matters in those days. And I also watched Ken Bialkin and how he dealt with legal matters. I had an office that was next door to his. I spent a lot of time in his office while he was on the telephone talking to clients and I really learned how you handle clients
and how to be a lawyer just by listening to him. Another matter that I worked on at about the same time was the first New York Stock Exchange firm that went bust, Gregory and Sons. One of the things I remember about the Gregory and Sons matter is Ham Gregory. Even though the firm went into bankruptcy or liquidation, he was still commuting by helicopter from New York to his mansion out on Long Island, which was up for sale but wasn’t being sold because it was after a crash. He had rather a flamboyant personality. He sent me the biggest bouquet of flowers I had ever seen when I was in the hospital having my daughter, Miriam. All the nurses came in to look and said, “oh who sent you those, did your husband?” I said “no, my bankrupt client sent them to me.” I had a lot of client contact in those days. I worked on some very big matters and I had a lot of client contact and yes, that’s what I had been looking for. The work was very exciting and although I was having problems at home, the job pulled me through. Work has always pulled me through. I also had a huge disappointment there in that I was not made a partner. I was passed over for partner at three different partnership meetings over a year and a half where I thought I should have been made a partner. I was still very naive in those days and so out of it socially. I had no idea really how big law firms worked. I still thought, “all that matters is merit and I’m a very good lawyer and look at the matters I’m working on. So I should become a partner.” I didn’t think there were other activities that mattered like socializing.

Prof. Brakman: You weren’t part of the social life of the firm?

Reiser: I really wasn’t. I mean I didn’t fit in with these people very well. Also there were certain political fights going on at the top among various partners, including Ken Bialkin. So while I know he was proposing me for partnership, part of the dynamic involved was that some of his rivals at the firm thought, “why should he get to have his associate become a partner?” So, it was a somewhat complicated situation. They had never had a woman partner. Also, I doubt they’d ever had a partner who came in as a lateral associate. In those days people went to a firm like that right out of law school and they stayed until they became a partner and I came in after 6 1/2 years somewhere else, at the SEC. Now it’s very common for people to move around as lateral associates, even as lateral partners. But in those days it wasn’t, it was considered some kind of disloyal behavior if you just didn’t go to a firm and stay there. These firms were very insular actually. In any event, I did not become a partner and I decided I was going to leave. I had decided that I had to become a partner before I was 35 or I would do something else with my life. I would not stay there any longer as an associate. I thought that was wrong for me. Also, I thought I was a better lawyer than the men who had been made partners.

Prof. Brakman: Did it feel like there were any prospects that you would become a partner in
Reiser: the future, but after three meetings, did it become clear to you that it wasn’t going to happen?

Prof. Karmel: Well Kenny kept saying, just wait, wait, you’ll become a partner” and I said, “I’m not waiting any more. You’ve had three chances and I’m not waiting anymore. I want to leave.” Then, what happened is that a friend of mine named Howard Bernstein, who had been one of the branch chiefs under me when I was Assistant Regional Administrator and who was one of the attorneys who tried the D. H. Blair case with me, was the General Counsel of a firm called Dreyfus and Company, which was the broker-dealer of the Dreyfus funds at that time. Jack Dreyfus, who was a partner in the firm, wanted to leave and take his name with him. Howard knew how unhappy I was. We used to have lunch together frequently, usually at Eberlins, a great old Wall Street watering hole. Howard actually brought some parts of the legal work for this split up to me as an associate at Willkie Farr because the long-time counsel for Dreyfus and Company had been Rogers and Wells and, in fact, Bill Rogers had been a limited partner in the broker-dealer. So Rogers and Wells was handling Jack Dreyfus and his interest in this disassociation and the firm needed some counsel on the other side and Howard came to me at Willkie Farr. He also was not entirely satisfied with the representation of the broker-dealer by Rogers and Wells. In addition, the New York Equal Opportunity Commission that was run by Eleanor Holmes Norton sued a number of Wall Street law firm partnerships because they had no women partners. There were some other things tacked onto the law suits and Rogers and Wells was the first named defendant. It had something to do with a bad relationship between Bill Rogers and Eleanor Holmes Norton. I don’t know what was behind it but Rogers and Wells was the first named defendant. So they were looking for a solution to the problem of that lawsuit. They had no inside female associates that they intended to make partner; they had very few female associates anyway but they did not intend to make any one of them a partner. Howard Bernstein kind of said to them, “look if you would bring Roberta Karmel into your firm as a partner, you’re going to solve two problems. One, we will keep on doing business with you, otherwise, I’m not so sure we’re going to because you don’t really have someone who is sufficiently expert in broker-dealer regulation that we need. And secondly, you will solve the problem of this lawsuit.” So that’s what happened. They offered me a partnership and I took it.

Prof. Brakman: So they came to you, you didn’t have to apply?

Reiser: 

Prof. Karmel: No, they came to me.

Prof. Brakman: That was very nice.

Reiser: 

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It was great.

In comparison to your other search it sounds much better.

Yes, yes. Because although I told Ken Bialkin, I was leaving, I didn’t have any idea where I was going to go. I was really thinking I might go in-house. Llewellyn Young, who had been Regional Administrator of the New York office when I was there at that time, had become a partner of F.I. DuPont and he tried to recruit me to go in-house. I remember him saying, “oh Roberta, you don’t have to worry, this is not one of those fly by night brokerage firms, this is a DuPont family firm. But they went under too, along with all the other brokerage firms in that period. And I think this had been a little bit before my leaving Willkie Farr but I remember I thought, “I could go in-house because a lot of friends from the New York office of the SEC had gone in-house.” But I had a prejudice against in-house lawyering. I thought, “that’s not really being a lawyer, that’s not really practicing law. I want to be at a law firm. I want to stay at a law firm if I can.” But at that time, I thought, “if I have to go in-house, I’ll go in-house, I’m leaving Willkie Farr. I would like to go to another law firm but if not, I will go in-house somewhere.” I was very fortunate that this offer from Rogers and Wells really dropped in my lap.

So when you started as a partner at Rogers and Wells, was it doing the same kind of work you had been doing at Willkie Farr?

Well, I did a lot of work for this Dreyfus and Company firm which was what was then called a New York specialty member firm. It had changed its name to Moore & Schley because Jack Dreyfus had taken his name with him. So I did a lot of work for that firm. In addition to that, in the 1970s brokerage firms were going bankrupt every day. And the Securities Investor Protection Corporation had been organized in 1970 and was a kind of liquidator insurance company for a lot of these firms. This is because the New York Stock Exchange Trust Fund had run out of money. It was a sad time on Wall Street and one of the partners at Rogers and Wells became trustee for a broker-dealer that went under called Morgan Kennedy and I did all the legal work on that matter. So for a while, I divided my time between Moore & Schley and the Morgan Kennedy matter. When I went to Rogers and Wells, it actually wasn’t Rogers and Wells, it was because Bill Rogers was still in the government as Secretary of State and it changed its name to Rogers and Wells after he returned. Then after he returned, he brought in Merrill Lynch as a client and I did a lot of work for Merrill Lynch.

But again the kind of regulatory work you talked about before?
Prof. Karmel: Well, some of it changed. I can’t really remember if that was in this period or later on. I was counsel to a lot of the Merrill Lynch money market funds, outside counsel. I also worked on some securities litigation. I always did a little bit of litigation and I began to bring in business. Moore & Schley had some public offerings. I worked on those as underwriter’s counsel. They had litigation, I worked on that. I was really their outside general counsel. So it took up maybe 40 to 50 percent of my time depending on the year. Also in 1976 I spent an entire year doing work as bond counsel for City of New York during the moratorium.

Prof. Brakman: Really?

Prof. Karmel: It was very interesting, bizarre work. Because New York was out of the public markets, the union pension funds were buying the bonds and these were oddball transactions.

Prof. Brakman: Interesting.

Prof. Karmel: So my work varied. It depended on what was happening on Wall Street.

Prof. Brakman: I know you also had an important project doing some work for Merrill Lynch.

Prof. Karmel: Yes. It was developing the cash management account which now every brokerage firm has and this was combined with a sweep account into a money market fund. There was some difficult analysis that had to be made about whether or not such an account was lawful under the securities laws and also lawful under the banking laws. I worked with another partner who was a bank regulatory lawyer on this project and we never dreamed that this product would become as successful as it did. We were able to give Merrill Lynch the green light for going forward with the product and the project, and then Merrill Lynch was sued by virtually every, if not every, state banking regulator on the ground that this was a bank account and not a securities account, not a securities product. This was when the Glass-Steagall wall between banking and investment banking was being knocked down and I remember kind of watching some of those lawsuits at a distance because by then I had become a Commissioner of the SEC. I remember thinking, “this is interesting, I helped launch this furor.” But the product succeeded both from a legal and regulatory matter and as a business matter.

Prof. Brakman: Sounds like you were involved in some really ambitious work at Rogers and 20
Reiser: Wells. Did it change how you felt about yourself now being a partner and doing this innovative work?

Prof. Karmel: Well it was very nice to be a partner. I actually did very innovative work at Willkie Farr too so I don't know that my work at Rogers and Well was more innovative. It was at a different level being a partner than it had been being an associate. It was interesting to me at that time of life that all of a sudden when I became a partner in a major Wall Street firm and I had four children and I had had a pretty good career in the government too, I was looked upon all of a sudden as a super woman. This was the way that the modern woman was supposed to be. I had always thought of myself as something of a misfit. I was very shy when I was young and even when I went to law school and started working, I felt, "I really don't fit in anywhere. I'm kind of a misfit." All of a sudden I was somebody that a lot of people admired and I thought, "this is interesting. I'm the same person I've always been but society has changed and people are looking at me differently."

Prof. Brakman Did you like being a partner?
Reiser: Yes.

Prof. Brakman What about it?
Reiser: Respect. Well, first of all, to come into a firm through a client is the best possible way you can come into an organization. In addition to that I did form the basis of a settlement between Rogers and Wells and the New York Equal Employment Opportunity Commission. There were still some problems because in some ways, Rogers and Wells was even more white-shoe than Willkie Farr. So, socially there were still some problems. But I liked it, yes I liked it. And I liked the money too. I've always been motivated in part by money, although only up to a point because obviously I wouldn't have spent the last part of my career teaching if all I cared about was money.

Prof. Brakman It gave you a lot of security?
Reiser: It gave me the financial security which I needed.

Prof. Brakman So when you were at Rogers and Wells did you have anyone like Ken Reiser: Bialkin who was a mentor for you? Or did you turn into the mentor?
Prof. Karmel: No. Neither.
Prof. Brakman: More working on your own.

Reiser:

Prof. Karmel: I guess I always worked to some extent on my own although I began to bring in a lot of business. Some of that was later after I had been a Commissioner and I returned to Rogers and Wells. Then, I had a lot of people working for me so yes; I guess I turned into a mentor.

Prof. Brakman: How did you first come to think about becoming a SEC Commissioner?

Reiser: How did that idea enter your mind?

Prof. Karmel: Well, first of all becoming an SEC, Commissioner is a dream of most securities lawyers and particularly me since I had been on the staff of the SEC.

Prof. Brakman: Although you didn’t really like them very much when you were on the staff?

Reiser:

Prof. Karmel: Who?

Prof. Brakman: The Commissioners.

Reiser:

Prof. Karmel: I didn’t have anything much to do with them. I just thought they were standing in the way of my cases because I had to get their permission to go to court. No, I respected them.

Prof. Brakman: But did you aspire to their positions then?

Reiser:

Prof. Karmel: No, I couldn’t imagine any job like that becoming mine. It happened at the very beginning of the Carter administration when I was at an American Bar Association meeting and I should say that Ken Bialkin was one of the people who got me involved in ABA activities. He thought that Bar Association activities were good for you. He was extremely active in ABA activities and he dragged me into ABA activities, ALI activities, Association of the Bar committees. And my father had told me once, “well you should get involved in Bar Association activities because then maybe you’ll have your own clients,” which he did not have. So I thought that was a good idea. So I was active in the Federal Regulation of Securities Committee of the ABA and I was at an ABA meeting and some of the people were kind of joking around in a way saying, “we hear Carter is looking for a woman.” There had never been a woman appointed to the SEC. “Carter’s looking for a woman,” they said. And I said, “tell him I’m available.” It started as a joke. But, they asked, “Are you serious? Would you do that?” I said, “of course I would do that.” In any event, that’s how
it all started. That’s what put the idea into my head and these were some of the people who helped me. Ken Bialkin was very instrumental in this effort because he had really wanted to be Chairman of the SEC but did not achieve that goal. Then I think he was asked whether he wanted to become a commissioner and he felt that if he couldn’t be Chairman, he did not wish to become a Commissioner. Instead, he promoted me as a candidate for Commissioner because in addition to the Carter administration looking for a woman, they were also looking for a lawyer from New York. There had not been a lawyer from New York since Bill Casey and there was a feeling by the securities industry and the securities bar, which had a certain amount of influence, that there was a real need to have a New Yorker on the Commission because the Commission had turned too anti-Wall Street. A lot of this was due to Stanley Sporkin’s prosecutions of almost everybody.

Prof. Brakman: So after having this exchange at the ABA meeting where you said you’d be available if they were serious, what was the next thing that happened?

Prof. Karmel: I went to one of my partners at Rogers and Wells, who was active in Democratic politics (and now is a judge on New York Supreme Court) and who was the person who brought in the New York City bond work. I said, “it’s been suggested to me that I might be a possible candidate to be an SEC commissioner and I have no idea how to go about doing this. Do you?” He said, “you have to start by getting some Democratic politician to send a letter to the White House.” I said, “I don’t know any.” At that point Al DelBello was the county executive of Westchester County and a friend of mine in Hastings worked for him. So I called her up and said, “do you think Al DelBello would send a letter to the White House on my behalf since it’s been suggested that I could become an SEC commissioner?” She said, “I’ll ask him” and she did. This led to a very funny kind of sidebar experience. Al DelBello lived in a house in Hastings that often was used for parties. It’s a huge house. A friend of my grandson lives there now. Anyway it was often used for parties and he was giving some sort of a benefit and I said to my husband, “we better go to this because I think he’s written a letter to the White House for me. I’m not even sure but I think he has so we better go.” So we’re standing in line, a kind of receiving line, and I said, “Mr. DelBello, I’m Roberta Karmel, I want to thank you because you sent a letter on my behalf.” He said, “oh yes, you’re going to be named to the MTA.” I thought, “MTA, no, I’m trying to get to the SEC. So then, I just passed through the line and I said to Paul, “he must be confused. He sends a lot of letters for a lot of people,” I didn’t give it another thought until around the last week in March, I got a call from a woman named Judith Hope saying, “you have to go to a press conference on Friday (or maybe it was a week from Friday, which happened to be April 1) because you’re going to be named to the MTA. And there’s a press conference.” And I thought, “what’s this; is this some kind of weird April Fool’s joke? I said, “you better give me some more information about this.” I really didn’t know if it
was something that was real. And then the next day there was a front page article by Judith Miller with the headline: "Woman Commuter named to MTA" and that was me, and there was a picture of me." So I really didn’t know what this was all about, and I was kind of suspicious of it. I remember going to the Chairman of the MTA at that time who I think was a lawyer in Brooklyn, a very large guy. I asked him all kind of questions like what is this job, what am I supposed to do? He obviously thought I was some kind of a dimwit. He said: “This is a political plum; you get paid $25,000 for doing this. You don’t have to really do much of anything.” So I went to this press conference and Gov. Hugh Carey was there, and Mayor Abe Beam was there. In fact, I remember we were lining up for some kind of receiving line and I was put next to Abe Beam and he looked at me and said rather sarcastically, “I guess they’re arranging us by height.” And then I have this wonderful picture of the lady who was then my housekeeper, Dorothy King who was a very large African-American woman and my kids, my husband, me with Governor Carey and we were all introduced, and I felt there was this flicker of doubt in his mind. He looked at Dorothy, and he looked at me and I wondered if he was thinking “oh, did they get a minority person or just a woman?” Being nominated by Governor Carey to the MTA was one of the weirdest experiences of my life. I was one of 105 people who were nominated by Governor Carey to various New York jobs who hadn’t been confirmed and I think many of them never were confirmed. I had a confirmation hearing up in Albany but the legislature was Republican and I don’t think there was any intention on their part to confirm me. This was all part of some political battle between Hugh Carey and the legislators. In fact, Jack Wells at Rogers and Wells said, “you’re not being confirmed; do you want to be confirmed? I’ll take care of that.” I said, “no, no, I’m still trying to get to the SEC. I think this is just a practice run.” So it was like a side adventure. I did get to christen a train when the MTA electrified the tracks up to Brewster. I christened the first train, and I got a picture of myself surrounded by every local politician in Westchester, which I hung in my office later. Clients would come in and ask me: “Roberta, what are you doing with that train?” The politicians all gave me advice on how to break the bottle of champagne. They told me the story, about how Margaret Truman once christened a ship and she didn’t break the bottle and that was very bad. So I broke that bottle as they had instructed me and the champagne splashed all over me.

Prof. Brakman: You were sure to break it.
Reiser:

Prof. Karmel: It splashed all over me; fortunately I was wearing a washable dress. So those were my two side adventures before going to Washington, working as bond counsel on New York City bonds and this MTA position. Although I was not confirmed, I was still supposed to do everything you do when you
are confirmed except I didn’t get paid. So I went to a retirement dinner for 800 MTA employees. It was at the Inn-on-the-Park in Queens. Mostly I just had to smile and have my picture taken at various events. In fact my kids to this day tease me whenever photographs are being taken of the family. “Mom,” they say, “give us that MTA smile.” So, then getting back to the real effort on my part of getting to the SEC, I did not actually do a whole lot. Sometime in June I received a call from the White House. There were forms I had filled out and the White House staff was working on my appointment and then I had another lucky break. One of the White House staffers working on this particular nomination had gone to law school with a partner at Rogers and Wells. So I think that helped me also when it came down to choosing between a couple of eligible women candidates. To be honest, there were not too many women at that time that had the kind of resume that made them eligible for this job of being the first woman commissioner at the SEC. I also had a dinner in Washington with Harold Williams who was Chairman of the SEC. This was a kind of a job interview dinner. And I remember I was called by his assistant and told to come to Washington for dinner on a particular night and asked what kind of food did I like. I said, “I eat anything.” Then I wondered if I should have sounded more sophisticated. I was so excited and I flew down to Washington for that dinner and flew back afterwards. I thought, “Oh, I’ve become a real jetsetter going to Washington and back in one day.” On many, many days I have done that since but that first time really turned me on. It was very exciting. I also thought to myself, “if I was not a partner in Rogers and Wells and they were not behind this effort on my part so that they are paying my way to go to Washington and to come back, I don’t know if I could do this. Obviously these jobs are for people who have money, or a certain amount of money.” Anyway, I was interviewed by Harold Williams at dinner and we must have hit it off because the next thing that happened is I got a call to be at the White House. It was the Friday before the Fourth of July weekend and I went off for another one-day trip to Washington and I actually thought I was going to be interviewed by Hamilton Jordan, who was the head of the White House staff. It was very hot, very hot and humid as only a Washington summer day can be. I went off to the White House and I had this feeling of it being kind of an Alice In Wonderland experience. It was so hot; I felt the streets were just going to melt under my feet. And everything seemed unreal, sort of like being in a fairytale of some kind. (I’ve always had an interest in Alice In Wonderland. This is a real aside. My senior thesis at Radcliffe required an anonymous entry so you had to pick a pen name instead of using your real name and I picked Alice Liddell, the name of the real Alice In Wonderland. Anyway on this occasion I thought I’m going to be Alice in Wonderland again.) I got to the White House and I was told, “you’ll being meeting with President Carter in a half an hour.” I replied, “I didn’t think this appointment was to meet with the President.” The receptionist said, “Oh, don’t worry. He’s very nice”. So I was interviewed by President Carter and I later found out such a meeting
was kind of rare. When I have mentioned this interview to other SEC commissioners, they say, “you met with the President? We were never interviewed by the President for our job, even though it is a Presidential appointment.” At my interview with President Carter, he amazed me. He obviously a photographic memory, because he had no notes and he had memorized my entire resume. He started asking me questions. And I thought, “wow he is some smart man.” We chatted about the job and the requirements for the job. I remember him asking me, “how do you make decisions. Are you strong enough for this job?” This obviously referred to dealing with the enforcement division. And I said, “yes, I think I’m strong enough to deal with the enforcement division.” At the end of the interview he asked, “do you have any reservations about taking this job?” I guess at that point you were supposed to say, “oh, I’m a drunk” or something like that, I don’t know, because this question always comes up in FBI checks. They ask, “do you have any reservations about this candidate?” And that’s your opportunity to say the person is on drugs, or they’ll embarrass the country in some way. When President Carter asked me, “do you have any reservations about taking the job?” I said, “well, I have four children. It’s now the Fourth of July. This appointment process has been going on for months and months. If I’m to move to Washington with my husband and my children are going to start school in September, I really have to know very soon if I’m going to get this job or not.” And he said, “well, I guess you have the job but don’t tell anybody.” I said, “can I tell my husband?” He said, “oh yes, you can tell your husband.” So I went home and the next day there was an article on the front business page of the Wall Street Journal again by Judith Miller that I was being appointed to the SEC. I think this is a strange way they do things in Washington. They tell me not to tell anybody and then it’s in the newspaper.


Prof. Karmel: Another part of that conversation that I remember which was kind of odd because today, I think it might be an illegal question under certain interpretations of the Civil Rights Act, at some point, President Carter said to me, “I see you have four children. Are you planning to have any more?” “I don’t think so,” I said “I’m 40 years old. This seems like enough.” And he said, “well Roselyn was about your age when we had Amy and that was a very good decision.” We also had talked about my work as bond counsel for the City of New York and he said, “when I was Governor of Georgia I did some work on bonds.” I can’t remember much else.

Prof. Brakman: Did you ever speak with him again after that?

Prof. Karmel: No. No, it was very unusual. In the middle of that meeting at some point I
thought, "this is a job interview with the President of the United States." And it actually gave me a tremendous amount of self-confidence. I always had a lot of confidence in myself as a lawyer but this was different. And sometimes this has been good and sometimes this has gotten me into trouble. Since then I've never been afraid of any conversation with anybody about anything because I thought, "I had a job interview with the President of the United States and I got the job so why should I be afraid of anybody else? Why should I be intimidated by anybody else?" It really gave me a very odd kind of self-confidence in terms of dealing with important people or dealing with people who supposedly were my bosses.

Prof. Brakman: Well that seems like a good place to stop. We'll pick up next time. Thank you.

Reiser:
This Dana Brakman Reiser interviewing Roberta Karmel, the third interview for the ABA Women Trailblazers project. It's July 16, 2013 and I'm back with Roberta. We left off in your last interview, you were just finishing your interview with President Carter, which ended very positively with your nomination as commissioner. So what happened next in the nomination process?

It still took more time. The process is that a nominee for an SEC commissioner has to be voted on by the Senate Banking Committee and then the entire Senate. At that time the head of the Senate Banking Committee was William Proxmire. He was a bit of a cantankerous guy who had very definite and not always mainstream ideas about who would be a good SEC commissioner and he tended not to vote for a lot of the nominees. He also generally did not personally interview them. So I was not personally interviewed by him. However, I met almost all, if not all of the other senators on the Senate Banking Committee and I remember thinking at the time if I were not so nervous about this process this would really be a great experience. It was a great experience anyway, but not as enjoyable as it might have been. It was interesting to meet all of these senators. However, most of these interviews were not substantive. The only senator who gave me an interview that had substantive questions about securities regulations was Senator Lugar from Indiana. The other senators seemed to just regard this as a friendly social event. I can think of a couple of incidents from this experience but I don’t know how relevant they really are to anything. For example, Senator Sparkman looked at my resume and said, “oh young lady, you were born in 1937, that’s the year I came to Washington as a senator. Do you think I’ve been here too long?”

“Well, Senator”, I said, “are you still enjoying yourself in this job?” He said, “yes”; I said, “well then why not stay.” So, this gives you the flavor of the way many of these interviews went. They were not that substantive.

Was your nomination controversial?

No. No, it wasn’t. In fact my family and I rented a house and moved to Washington before I was confirmed. Nobody would do that today because there is no non-controversial nominee for any office in today’s
partisan Washington. But my nomination was not controversial. We moved to Washington as I said before I actually was confirmed. I also remember that the day we were moving I had an interview scheduled with Senator Javits. It was arranged by Jack Wells of Rogers & Wells. My husband, of course, was quite exercised that I was not around for the day of the move because I had to go to Washington for this meeting. But I felt this was very important because when I went before the Senate for my confirmation hearings, Senator Moynihan and Senator Javits, a Democrat and a Republican were there with me and I somewhere have a very nice picture of us at the proceeding and I thought this was important to have bi-partisan support for my nomination. And I did.

Prof. Brakman Reiser: When your family moved to DC, were your kids all school age?

Prof. Karmel: Yes. Yes. We moved to Potomac, which was in the Washington suburbs in Maryland because we were told that the schools there were good. Two of my sons at that time went to Cabin John Middle School and my other son and my daughter went to a grade school, all in Potomac. And then the second year my oldest son started high school in Potomac. So I wanted to be in a good school system. I certainly could not afford private school on a government salary. My husband took a sabbatical and a leave from his job as a professor at City College and worked at Comsat which also was in the Maryland suburbs so that was more or less convenient although it was a very long drive to the SEC from where we lived and I was not happy being a commuter by car as somebody who had always used public transportation to get to work.

Prof. Brakman Reiser: Former MTA commissioner.

Prof. Karmel: Well I never became a commissioner, I was only nominated. But I've always preferred public transportation to driving to work. And I swore I would never again have a job where I had to drive to work because I found that very stressful and a complete waste of time.

Prof. Brakman Reiser: So once you got to the Commission, were there particular goals you had in mind that you wanted to achieve there?

Prof. Karmel: Yes.

Prof. Brakman Reiser: What were they?

Prof. Karmel: I felt that the enforcement division at that time had taken some extreme positions that were not in accordance with what the law then was. Looking back I'd have to say this seems to be a general problem with white collar prosecutors both in the Department of Justice and at the SEC. There's been no change. Prosecutors often tend to want to
professors for novel violations of the securities laws. I have never thought that was appropriate. I think that prosecutions should be based on existing law, and should not be a way to make new law. This was an area that I was interested in and after I was commissioner and I wrote a whole book about it called *Regulation By Prosecution*.

We’ll get to that.

Also one of the hot issues at the time was something called the Off-Board Rules involving the New York Stock Exchange. At that time the New York Stock Exchange had a Rule 390 that forced all orders of listed securities to be brought to the floor for execution so that any orders on the specialist book could be taken up. It also made for centralization of order execution and disclosure of the transactions on the tape. There were hearings on whether this rule should be rescinded. The Securities Act Amendments of 1975 basically mandated that the SEC consider this issue and there was a hostility to the New York Stock Exchange in Washington at the SEC and among certain people in Congress that I felt was not only unwarranted but would be detrimental to the interests of New York City since the New York Stock Exchange was such an important employer and organization at that time with regard to employment in the securities industry generally. This was one of those fights between various factions within the securities industry itself that had been brought to Washington and so was being fought out with various interested parties egging on various politicians and people at the Commission. In fact, there were hearings on this issue in August of 1977 and the SEC Chairman, Harold Williams, asked me would I come to Washington and listen to the Off-Board Hearings. I thought I already was familiar with this issue and I didn’t think that moving my family to Washington and being in Washington in the August heat was something that I wanted to do. Also, I wasn’t sure it was appropriate since I hadn’t been confirmed yet as a commissioner, so I declined that invitation. But I really was up to speed on this issue and I had my own thoughts about it that were not necessarily the conventional, mainstream view at the SEC. In fact after I became a commissioner, Harold Williams who had thoughts on this very similar to mine and I and another commissioner changed the dynamic of this particular issue quite a bit.

How were you able to do that?

Well the Chairman wanted me to be an ally of his and there was another commissioner, Phil Loomis, who tended to vote with the Chairman and so that was three votes.

Were you involved in developing the things that came to you for a vote?
Reiser:

Prof. Karmel: To some extent yes. Because commissioners vote on staff recommendations. So if the staff wanted your vote, they would come and lobby you to vote their way and you were able to impact what came before the Commission to some degree if your vote was needed for a staff recommendation. Also, the Chairman could talk to you about his views and what he was trying to accomplish. Because of the statute called the Sunshine Act, it was impossible for three or more commissioners to meet together other than at a Commission meeting. This was a new statute, one of the post-Watergate “regulation-of-the-regulators” pieces of legislation. A lot of the commissioners and others in Washington really chafed at this regulation and it did make decision-making rather awkward. It meant that the staff was much more involved in the process than they otherwise probably would have been.

Prof. Brakman

Reiser: Was that a good thing?

Prof. Karmel: I think there were some good aspects to it because secret deals couldn’t be made but I think there were also some negative aspects to it in that it impinged upon free discussion among the commissioners about decisions that had to be made. The staff became a kind of conduit for the decision-making, and I think it gave the staff somewhat more power and influence than they otherwise would have had.

Prof. Brakman

Reiser: Did you hire a staff for yourself when you joined the Commission?

Prof. Karmel: Yes I did. At that time commissioners were entitled to one legal assistant, now these legal assistants are called counsel. They are like judges’ clerks. And I hired someone who stayed with me the entire time and is still a friend. But then because I had certain ideas of what I wanted to accomplish in terms of influencing what was coming before the Commission and influencing the decisions and I suppose because I am a lawyer by nature and by training, I shortly felt that one staff person was really not adequate. So I asked Harold Williams if I could have another legal assistant. He said there was nothing in the budget for this but he and I worked out an arrangement whereby I would borrow a staff member from one of the divisions for a period of time and then that person would go back to the division and then I would have somebody else. This worked out very well in a number of ways because I then had someone who I knew and who knew me and knew my views who was down in the trenches and who I could go to and find out what was happening and influence decision-making that way. Some of these people stayed for a very short period of time, six weeks, three months. This was what it was supposed to be, but for a variety of reasons, some of the staff members stayed for a longer period of time. One of them became pregnant and so she stayed with me until she had her twins and
that was a longer period of time than six months and another one also stayed with me for a longer period of time because that was okay with the part of the Commission that he came from. So I developed a very close relationship with these counsel who worked for me and, in fact, we still get together at least once a year and have a kind of reunion.

Prof. Brakman Reiser:

So was being the first woman on the Commission something that you really felt during your time there?

Prof. Karmel:

Yes and no. I felt very strongly that as the first woman, I had to do a really good job or there would never be another woman commissioner. At the same time, I felt that my role as the first woman was to just be an outstanding commissioner and do my best. And I did work very, very hard at this job and I was quite vocal. I gave a lot of speeches. I reached the point where I dissented on some Commission matters and we probably should talk about that because I became famous for these dissents. But as I said to one reporter who interviewed me after I was nominated, “I don’t think that there are gender issues in securities regulations, stocks and bonds are gender-neutral.” So I didn’t feel in terms of the substantive decision-making that there really were women’s issues. On the other hand, I know that it was extremely important for the women on the staff of the Commission that I had this job and that I was a woman and they looked to me as a leader. I have since learned it was equally important for women in the securities industry who were not at the Commission. They felt this was something really important that there finally was a female SEC commissioner. It gave them inspiration, (maybe that’s too strong a word), for the development of their own careers. Because the Commission, like Wall Street, had always been a pretty sexist place. As you know I was the first woman commissioner in 1977, for an organization that had been set up in 1934. So this was a big deal from that perspective and Wall Street and the Wall Street firms were certainly at that time and maybe even today pretty sexist organizations. So I felt that it was important for me to give a good example of how a woman could do a good job as a Commissioner and be just as effective as a man. That was the best way for me to proceed in the job and there were very few occasions in which there were any women’s issues that I was involved in. One that I can think of had to do with recruitment of minority lawyers for the Commission because we did not have that many minority lawyers and we were concerned that we would be forced to have some kind of quota by the Equal Employment Commission. So we had a special recruiting effort for minority lawyers and we brought I think 25 minority law students to Washington as a recruitment effort and I was asked to speak to them. So I did, I speak to them about my experiences going to work in the New York regional office when there were very few women and there was a lot of discrimination against women in the job market.
generally and even at the Commission. I explained how the Commission had proved to be a great employer for me and how it helped me in my career to achieve success that when I graduated from law school, I wasn’t so sure I would be able to achieve as a member of a group that was being discriminated against by the legal profession generally. So after I gave this talk, the recruiting officer or somebody else at the SEC a little while later said, “Roberta, what did you say to all these students’. We offered them jobs and every single one accepted.” So I guess I was effective as a woman in that sense in a way. Years later at a conference I met an African-American woman who was then I think general counsel or maybe associate general counsel at a bank. She came up to me at the conference, and she said, “you probably don’t remember me but I was one of those minority students that you recruited to go to work for the SEC. And you said how the SEC was a great employer; we should all take the job. It would help us in our careers and you were right. Look at me. I now have this great job and I’ve always thought of your talk and have been grateful to you for reaching out to us.” But there are very few issues like that come before an agency like the SEC, as opposed to some other agencies in Washington. But jumping ahead a little bit, this is something that I’ve always found was important in terms of being the first woman to be an SEC commissioner, to be a partner in a Wall Street law firm, to be on a board of directors of a company. There may not be many gender issues that come before you for decision but it is very important in helping women in the organization to get ahead. It does make a difference. Again, going back to the Commission, while I was a commissioner, one of the staff members came up to me and said, “Roberta, I’ve just been made a branch chief in Enforcement. I think I am the first woman to become a branch chief in Enforcement since you were on the staff.” I later learned this wasn’t entirely true because there was another woman, Regina Mysliwiec who became an Enforcement Branch Chief in the New York regional office after I did and before this woman, Deborah Hechinger, got to be a branch chief. But it’s the kind of difference that a woman at the top or, for that matter, a minority at the top can make. It sensitizes everybody and it helps the progress of those who have previously been discriminated against to get ahead. It sets a good example. I would say something else, and it is also jumping ahead. When I left the Commission, I said that I didn’t really want a retirement dinner, I never liked retirement dinners. And instead I would just have an open house and anyone who wanted to come and say goodbye should just come to my office and say goodbye and talk to me. And I was overwhelmed because I won’t say every woman lawyer at the Commission came in but a lot of women I’d had absolutely no contact with came in to say goodbye and to tell me how important it was to them that the SEC finally had a woman commissioner. Another more humorous anecdote that I can tell is there was a woman named Rose Jaffe who was a paralegal in Enforcement who came in to see me very
shortly after I became a commissioner and said, “I never thought that there would be a female commissioner at this organization. I was actually the second female lawyer ever hired by the Commission. Bill Douglas brought someone with him and then they had to hire me.” But for all of that, she was working as a paralegal and not a lawyer. It gives you an idea of what the SEC really was like not only in 1977 but in all the years between 1934 and 1977.

Prof. Brakman Reiser: Sure, wow. While you were there, you weren’t just working hard and making decisions. You were also making some very controversial decisions.

Prof. Karmel: Yes.

Prof. Brakman Reiser: So can you talk about the first dissent that you decided to file?

Prof. Karmel: Yes. This was in connection with the corporate governance hearings and rulemaking that the Commission was promoting. Harold Williams believed very strongly that boards of directors should be composed entirely of independent directors except for the CEO, something that the Commission still believes in, and persuaded Congress to rubber-stamp in the Sarbanes-Oxley Act and again in Dodd-Frank. But this program goes back to 1977 and we had hearings around the country on these corporate governance issues, not just the issue of independent directors, but that was possibly the most controversial part of the hearings. This initiative was in the aftermath of the foreign payments scandals and the passage of the Foreign Corrupt Practices Act. I believed at that time that the Commission had no statutory authority to compel members of boards of directors of public companies to be independent. I thought this was a matter of state law. In fact, right about that time there was a Supreme Court decision Green v. Santa Fe that basically said Congress had not passed a federal corporation law when it passed the federal securities laws and that matters of fiduciary duty of directors were matters of state law not encompassed by the federal securities laws. So I felt very strongly on this issue. I also had some doubts as to whether a board of entirely independent directors was even in all cases a good idea. I thought then and I still think that more experimentation with corporate governance structures was better than a federal command and control regulation. Partly because of my very strong position that the SEC did not have the authority to mandate that boards of directors must have independent directors and because I was sure that the Supreme Court would strike this rule down, the Commission came out with a disclosure rule. It required disclosure of whether or not directors of boards were independent as defined by the Commission and there was some language in that rulemaking proceeding that I didn’t really agree
with. So, I said, “I would like a footnote dropped from this particular part of the rulemaking proceeding that Commissioner Karmel does not agree.” Others were frankly taken aback. I was told by the Secretary of the Commission, “you can’t do that, there’s no procedure for doing anything like that.” I said, “well look at the end of this rulemaking commission proceeding, at the end of this rulemaking statement, it says by the Commission, well I’m one of those commissioners. I don’t agree with this. And I think I should have the opportunity since this is essentially a legislative function to register that I don’t agree with it.” Well there was much back and forth on this, and finally that footnote was dropped. When this became public, there was more of a hullaballoo than I had ever expected. I became sort of the darling of corporate American and I thought, “what is this? I’m not some right-wing apologist for corporate America, I’m just expressing my views as a lawyer. “I was asked to give a lot of talks on this subject. And it was a very difficult thing to do because after Watergate when the SEC came under a cloud because of certain activities by Chairman Bill Casey and then his successor Brad Cook, the SEC really circled the wagons; there was this attitude that the Commission has to prove it’s holier than thou and everybody has to always be in agreement and there can’t be any disagreement at the top. Well, I just didn’t think that was how an organization like the SEC should function. There had on occasion been some dissenters in the past, never from a rulemaking proceeding, but certainly from decisions that were more in the nature of judicial decisions. I thought that mandated group think was not for me. I was very young. I was a generation younger than all the other commissioners. So maybe I was a little more rebellious than I should have been but I was an independent thinker and I remembered that that President Carter had cautioned me to be strong. Then there were some other issues in which I also registered dissents but they were of a very different kind. They primarily had to do with two kinds of cases that the Commission brought and these were settled matters. This kind of reaction has now hit the front pages in terms of some federal judges refusing to accept Commission settlements from organizations that have been investigated and have agreed to settle and be enjoined by the Commission. There’s a Second Circuit case pending on whether a District Court judge can do that. Can a District Court Judge say I am not going to accept a settlement from the SEC or the DOJ or anybody else because I don’t think it’s appropriate? Well, all these years later this has now become an important legal issue. But when I was a commissioner, there were two kind of cases in which I said I was refusing to accept settlements and dissenting from the acceptance of a settlement. Because if there was a settlement this had to be brought to the SEC for approval. But dissenting from the acceptance of a settlement was considered heretical. One kind of case was against lawyers. The Commission was bringing a lot of Rule 2(e) cases against lawyers. I didn’t think the
Commission had the statutory authority to do this. And I do not think it was a good idea for the SEC to become a regulator of the practice of securities law. So I dissented from numerous Rule 2(e) cases. But these were settled proceedings. They were not litigated proceedings and one of the controversies was whether an SEC commissioner could even do that, whether I could dissent from a settlement. And I thought well, the settlement has to be ordered by the Commission and I didn’t see why not. It’s the same issue that’s now in the courts and has become very controversial. So maybe I started this controversy as a commissioner back in the late 1970’s. The other kind of case in which I dissented was when a case was settled for what was called a Rule 21(a) report of investigation because I believed this kind of report of investigation was a sanction and it was an abuse of Rule 21(a) to be using Rule 21(a) in this fashion. That also was very controversial. Both of these issues were later superseded by, or I should say settled by legislation. In Sarbanes-Oxley, the Commission was given statutory authority to bring Rule 2(e) or 102(e) cases against lawyers. Well you know, once Congress decided that, fine. My attitude back in the 70s was the Commission didn’t have that authority. And in terms of Rule 21(a) cases, at some point, the Commission was given the authority to censure regulated entities and other people and also given the power to order persons under investigation to cease and desist which is the equivalent of an administrative injunction and this is what Rule 21(a) had been used for in my opinion. So, again, once Congress gave the Commission that authority, my dissents were no longer relevant. As you can see that, some of my dissents were very legalistic, analyzing some of what the Commission was doing as a judge might. Others were more policy-oriented. One of the famous exchanges that I had with the head of the Enforcement Division was when he asked me, “Roberta, why do you care so much what the courts are going to think as opposed to what I think?” This kind of summed up a whole series of controversies because at that time, the SEC was starting for the first time in its history to lose a lot of cases in the courts and I was very concerned about this. I thought this was a dangerous trajectory and that the Commission should not bring cases that were borderline, where there was a question as to whether it had the statutory authority to bring the case or whether it really had enough evidence to bring the case. Again, I think events have proved me correct because in recent years the Commission has been losing a lot of cases and once an agency is losing cases, the courts have less respect for the agency and judges feel more free to overturn your rulemaking and enforcement cases.

Prof. Brakman Reiser:

So it was kind of a prudential concern you had that if weak cases were brought or novel cases were brought, it would harm the SEC’s future stature with the Court?
Yes, yes. I was very concerned about this because for the first time, the
SEC was not only losing cases where the SEC was a party, but also it
was not being respected in some of the amicus positions that it was
taking before the Supreme Court. I was very concerned about that. I
thought this was a very bad, as I said before, a very bad trajectory. This
was going to diminish the credibility of the SEC in the courts, whereas
the SEC had always been a very highly-respected agency and this went
back to the early days of the Commission. I believe it was a policy of
James Landis when he was a commissioner that the Commission should
not bring any cases unless it was quite confident it was going to win
them. This had been the strategy of the Commission for many, many
years and I think it gave the SEC a certain respect by the courts and the
public and others that other Washington agencies didn't have. I am very
saddened so see that this is no longer true.

Did you think the SEC should be more innovative on its rulemaking
side? So when it came to prosecution, not try the novel things there, but
to do them through rulemaking?

Yes, yes. I thought that rulemaking was a better way to regulate than to
regulate by bringing cutting-edge prosecutions. Now the SEC and other
agencies have run into a lot of trouble in Washington with rulemaking
so I can understand why the SEC and other agencies make decisions by
way of prosecution because rulemaking is just too difficult, too many
roadblocks have been placed before the SEC and other administrative
agencies in terms of their rulemaking. So with hindsight I've come to
understand why the SEC is operated this way, but I still think
rulemaking is preferable.

Was your practice of dissenting taken up by any of your fellow
commissioners?

No, but it was taken up by others after I left the Commission. It became
quite common for commissioners to dissent and I would say in the last
couple of year in my opinion, it’s become way too common because
there have been too many dissents that were 3 to 2 on rulemaking
particularly, but on other matters also that were 3 to 2 decisions where
the dissenters were in the minority party, were Republicans so the whole
agency has become way too partisan. I think this is very unfortunate
because the SEC is supposed to be an independent agency that is not
partisan in that sense. When I was a commissioner, yes I dissented on
certain kinds of matters but this was not a partisan step. This was based
on my views on certain issues. And there weren’t nearly as many
dissents by me as there are today.
Did you more generally find the SEC to be a fairly non-partisan place?

Yes.

I'm wondering if your time at the SEC changed your view of government, how it works.

Yes, of course. I had not been so close to what goes on in Washington.

And what surprised you?

The extent to which Congress interfered with independent agency decision-making.

Did you hear from a lot of Congressmen?

On some issues.

And was there back and forth with their staffs?

On some issues. Not nearly as much as I believe there is today. Congressional interference with agency rulemaking is how regulated entities and other interested parties affect what is going on in Washington and affect regulation.

I see.

I don't think this is sufficiently appreciated as this influence that is getting into the whole administrative state comes in by way of Congress, rather than directly from regulated entities.

So the story here about regulatory capture is missing a step?

Yes

And you think that's even more so today?

Much more so today, much more so today. There were very few issues when this was extremely apparent when I was in Washington. One of
them was an obscure issue, but it is a good example of what's really wrong with what goes on in Washington. It had to do with oil and gas accounting, and how drilling for wells was going to be accounted. The big oil companies were on one side, the smaller oil companies were on another side. The issue was when you had to write off a well, best efforts or a successful completion. I got more mail from Congressmen and others on that issue, which was a very obscure accounting issue, than any other issue that came before the Commission other than whether the Cleveland branch office should be closed.

Prof. Brakman Reiser: And why was that so controversial?

Prof. Karmel: Midwesterners didn’t want the Cleveland branch office of the SEC closed. You know, it’s like the controversy over closing military bases. But I say this oil and gas issue was just ridiculous because I felt this was a very technical accounting matter that should be decided by the chief accountant. I doubted whether anyone in Congress understood the form letters being sent to the SEC.

Prof. Brakman Reiser: And was it ultimately?

Prof. Karmel: Ultimately it was and I think that the Commission came out with a rule that nobody liked which maybe was the best result and should occur when there is that kind of widespread lobbying from interested parties.

Prof. Brakman Reiser: Fascinating. So I was wondering too if your time at the SEC changed your view on the securities market. Did leaving the New York securities law enclave and being in DC change your views?

Prof. Karmel: Well I obtained a much broader view of securities regulation and the securities markets than I had had previously. I mean I learned a lot. In fact when I left the Commission, my counsel said to me, “Roberta, you’re going to know more securities regulation today than you’re ever going to know again.” That’s probably true. Because I knew every issue that was before the Commission and I was never going to know that again. I got into issues, for example, under the Investment Company Act. I had not previously really been that conversant in the Investment Company Act, and money management is a different part of the securities industry than trading. I had been more involved with people who were in operations or trading. So yes, I think my perspective on the securities markets was broadened. I think I also began to develop a more international perspective because I did have the privilege of traveling to Europe for a World Bank conference and also to Japan. And I got more involved in the Commission’s regulation of
foreign issuers.

Prof. Brakman Reiser:

Jumping ahead a little, it seems like that's been a continuing interest of yours, so let's talk more about that later perhaps.

Prof. Karmel:

Yes.

Prof. Brakman Reiser:

You mentioned the Sunshine Act restriction on meeting with too many other commissioners at one time, but I wonder what your relationships with the other commissioners and the Chairman were like.

Prof. Karmel:

Fairly formal, although the other commissioners were all nice to me. The Chairman was nice to me. I had more contact with the Chairman than with the other commissioners. Two of the other commissioners were former SEC staffers who had been in positions higher than my position when I was on the staff. The other commissioner was a former Hill staffer. So there were three Washington bureaucrats basically for the other commissioners and Harold Williams who had a very different background. He had worked in corporate America and he had been the head of the UCLA business school. So we were more the outsiders except that I had also been an SEC staffer. Remarkably, some of the issues went way back to the time when I was on the staff. Irv Pollack, one of the commissioners, had been head of the Division of Trading and Markets, which encompassed enforcement, when I was on the staff. So some of my controversies with enforcement were not really appreciated by him. At the same time, he was always very cordial and nice to me. He's a very nice man. He's a graduate of Brooklyn Law School, a 1941 graduate and he's still practicing law.

Prof. Brakman Reiser:

Good for him.

Prof. Karmel:

Good for him is right. He used to always lecture me that I should be walking up the six flights of stairs to my office like he did, and I would have better health when I was older. But this shows that he was a nice person who was concerned about other people. Even though we disagreed on many issues, he was still always cordial.

Prof. Brakman Reiser:

Was it the kind of place where people came in every day and you saw each other frequently?

Prof. Karmel:

Yes, yes. Although partly I think because of the Sunshine Act, partly because I was so much younger than all the other commissioners, I tended to socialize more with staff members.
Prof. Brakman

Were there some staff members who you knew or were friendly with from your time on the staff?

Prof. Karmel:

Certainly some that I knew, I was not necessarily friendly with those particular staff members. I knew Stanley Sporkin. He’d been responsible for one of my last promotions in the New York office and I think that one of the problems that I had with the Enforcement Division was that they remembered me from being a very aggressive enforcement attorney who had been, you know, pushed ahead by some of the people in Washington and they expected me to come to the Commission and help them with their cases. This wasn’t the role of a Commissioner. So even if my outlook had been a little different, I don’t think that would have been an appropriate way for me to fulfill my obligations.

Prof. Brakman

Did you miss private practice when you were there?

Prof. Karmel:

I missed the interaction with lawyers in New York and people from the securities industry in New York. I remember one person who I had gotten to know. He’s now a judge in New York, Alvin Hellerstein. He had been on the other side of a case that I worked on the whole time I was on the staff. I may have mentioned this in a prior interview. And I learned that he came to the Commission at some point when I was a commissioner, maybe I even ran into him or maybe this was after I was no longer at the Commission. And I said why didn’t you come in a say hello, you know, I want to know what’s happening in New York, what people in New York are thinking. He said, oh I was here on an enforcement cases, I didn’t think that would be at all appropriate, which says something about his ethics that are good. But I did have this frustration that I didn’t know what was going on in the real world anymore. I didn’t know what’s happening in New York, what New York lawyers are thinking about, what people in the securities industries are thinking about unless they came into lobby me about something. So I did miss that part of my life. Did I miss actually practicing law? I was practicing law but in a different way, at a different organization. I think many securities lawyers who’ve been on the SEC staff or have been commissioners have a similar attitude that you’re involved with the development of the securities laws and practicing securities laws whether you are on the SEC staff or in private practice. I have never had too much of a belief that the revolving door that goes on between the staff of the Commission and private practice is a bad thing. I think that you want to have lawyers who are familiar with the Commission’s thinking and familiar with the Commission’s substantive rules and regulations practicing securities law before the Commission. It’s a matter of legal ethics as to whether somebody will take a position contrary to some position they took on a case when they were on the
staff or when they were a commissioner, but I’ve always felt that I was concerned with the same basic issues. And I feel that way about being a professor too. I still think about the same basic issues. What does a securities law say? What are the substantive cases and rules and policies of the Commission and are they good or bad? Are they being properly respected by persons who are subject to these laws?

Prof. Brakman Reiser: How long did you stay at the Commission?

Prof. Karmel: 2 1/2 years.

Prof. Brakman Reiser: Was that the term?

Prof. Karmel: No, I had four years of an unexpired term. When I went to Washington, my husband, my late husband said, “he was not willing to go for more than two years.” President Carter actually was looking for five-year commitments from nominees. I wrote him a letter saying that I could not commit to more than two years and I hoped that I would be appointed anyway. Some people have been surprised when they heard that I ever did that. And actually when the two years were up, I was not ready to go back to New York. I thought I had too much unfinished business. So my husband moved back to New York with my children, and then I couldn’t really stay more than six more months because there were problems with my family, and my daughter particularly. She had a rather silly, the best word I can think of, teacher who said to her, “I’m really sorry your parents are getting divorced” and so she was very upset every Monday morning when I went back to Washington. I didn’t know until years later that this teacher had told her that. And also we didn’t really have the money for me to have an apartment in Washington and a house in New York. A lot of people since then who are New Yorkers have commuted between New York and Washington. I believe that Mary Jo White is doing this. But it’s very expensive. So after another six months, I really had to leave.

Prof. Brakman Reiser: And you returned to Rogers & Wells?

Prof. Karmel: Yes.

Prof. Brakman Reiser: When you came back, having been a commissioner, I imagine your skills were in very high demand.

Prof. Karmel: Yes, but I think it was a mistake to go back to Rogers & Wells. It was like coming back home from college. You know, I had changed and the
firm had not changed, and their view of me had not changed. It was really one of the mistakes of my career. It did not end happily.

Prof. Brakman
Reiser:

You said their view of you changed? In what way?

Prof. Karmel:

They didn’t see me as someone who should be part of the future leadership of the firm and that’s how I saw myself.

Prof. Brakman
Reiser:

So when you came back from the SEC, you were hoping to move up in the management ranks of the firm?

Prof. Karmel:

Yes. I did in a way because I was made an equity partner, and I was briefly put on the executive committee. But not too long after I came back, Jack Wells died. Bill Rogers became the head of the firm and he certainly could not countenance the idea of a woman in a leadership position. This was a firm that was run in a very top-down way. And I felt if I was not going to be part of the leadership of the firm, I wasn’t sure it was a place where I should stay. However, after I came back from Washington, I did build up a very big practice. By the time I left Rogers & Wells I had a book of business of over $2 1/2 million, which at that time was a very big book of business, or at least a substantially respectable book of business, and my practice was thriving. However the problems that had been there from the start between me and Bill Rogers really came to a head over a matter involving a client of the firm in the San Diego office called J. David Dominelli, which was an illegal broker-dealer operation, and a partner named Norman Nouskajian who had brought that client to the firm. Bill Rogers had opened the San Diego office and he didn’t want anybody criticizing anything going on in that office. Unfortunately I had opposed Norman Nouskajian becoming a partner and unfortunately this was in writing in a memo that I had sent and became public in a deposition. When the whole J. David Dominelli matter blew up because of criminal prosecutions of J. David Dominelli and Norman Nouskajian, there was a major securities law case brought against Rogers & Wells. At the time it was the biggest securities law case that had ever been brought against a law firm and it was in excess of our insurance policy coverage. This hit the pages of the American Lawyer and was covered for a long time in a rather sensationalist way in that publication and certain other legal gossip publications. Just a small indication of some of the problems I was having over this matter is when a reporter for the American Lawyer came to the firm and asked to interview Bill Rogers, he said yes. It would be fine. I also talked to this reporter and I thought, “she is not going to write a good story.” So after Bill Rogers interviewed her, he came and said, “I think I handled her just fine” and I thought, “oh boy, you don’t understand that she is going to write a very hostile piece”
which she did. My opinion, among other opinions that I had at the time, was that I had been in the business of dealing with securities fraud my entire career from the day I got out of law school and if I'm in an organization that is not going to listen to my views on what I see as a serious securities fraud emanating from a client; I just don't belong in this law firm. In addition to that, the publicity was intolerable for me and for Bill Rogers and the firm. So at that time, I picked up the phone and called David Trager who was then Dean of Brooklyn Law School. This was in June of 1986. I had taught as an adjunct at Brooklyn Law School in the early 70s and again in the early 80s. I don't know if we covered that or not. And I said, "David you've always wanted me to go on to the full-time faculty, I have always wanted to be a full-time academic. This is your chance. I am ready to leave Rogers & Wells and if you want to bring me on to the full-time faculty, I will come." So he held a telephone faculty meeting in June and I was appointed Professor of Law at Brooklyn Law School. I was not given tenure but I was told that I could get tenure after a year on the faculty, which did happen. But I'm getting ahead of the story. I did not really want to leave Rogers & Wells until this lawsuit against the firm involving securities fraud was settled. Partly at my insistence and partly at the insistence of others, we did have a lawyer, we hired Munger Tolles to represent us, but I felt I had personal liability here, potentially, as a partner in the firm, and I didn’t want to leave. So I became Of Counsel. And I was Of Counsel at Rogers & Wells for a year. The lawsuit was settled. Because my professional problems were a matter of big stories in the American Lawyer, a lot of lawyers in New York were calling me up and saying, "I guess you're going to go to another firm. Why not interview with us?" So I had a lot of approaches from different law firms as to whether I wanted to move there as a partner. Many of them felt you can be a partner, you can be of counsel, but you're going to have to give up this teaching nonsense. You can't be a full-time professor and be a full-time partner in the way in which we want to promote you. I thought I had worked so hard at Rogers & Wells developing a practice and the billings from this practice were paying the mortgages of a lot of younger partners and others but when it came to my power struggle with Bill Rogers, nobody supported me. I wasn't going to do that again. I just had no interest in building up a big practice again. Anyway, I had always wanted to be an academic but that field was quite closed to women — even in 1986 when I went to Brooklyn Law School. There was greater discrimination against women during the course of my career in academia than in law or business. Actually in 1986 I believe that Brooklyn Law School had more female professors than any law school in the entire country. It had been one of the few law schools hiring women in tenure-track faculty jobs. Previously, I had tried to get appointments at NYU and Columbia and was rebuffed. That's the nicest way I can put it. So having finally obtained a full-time tenure-track
academic appointment, I had no intention of going back fulltime to practice, but I couldn't seem to persuade any firms that were making job offers that I wanted to become an academic. But Kelley Drye was willing to take me in as a part-time partner. So I accepted that position at Kelley Drye & Warren.

Prof. Brakman Reiser:

What did it mean to be a part-time partner?

Prof. Karmel:

I wasn't expected to put in the number of hours that partners were putting in and I was a contract partner. I had an arrangement for a certain stipend and a certain percentage of the business I brought in. At that time I really was feeling pressured to maintain a very good income because I had children who were in college and graduate school. I had promised my children I would pay for any schooling that they wanted. Maybe that was foolish, although looking back I don't think so because all of my children have at least two higher education degrees and they started working with no debt whatsoever. People sometimes ask me what do you consider your biggest accomplishment in life and that's what I consider my biggest accomplishment that my kids had all the higher education that they were interested in or wanted and that they graduated with no debts. But it put a lot of pressure on me financially to bring a certain amount of client business over to Kelley Drye and anyway I wanted to do that because one of the reasons that I accepted any position at a law firm is I wanted a home for my clients. I did not want them to stay at Rogers & Wells. And most of them did not, although they did not all come with me to Kelley Drye. Some of them just went elsewhere.

Prof. Brakman Reiser:

Did Kelley Drye have a large securities practice?

Prof. Karmel:

No. So this was not the best possible firm for me to go to from the point of view of developing my career in private practice. On the other hand, it suited me because I was able to be a part-time partner and also a full-time academic. Although I must say at that time I kind of had two full time jobs and I felt I wasn't doing either one as well as I could have. In addition to that I was already on the board of the New York Stock Exchange and Mallinckrodt. I don't know if we got into that yet.

Prof. Brakman Reiser:

Not yet, they're on my list.

Prof. Karmel:

So I actually kind of had three jobs at that point. And I was working pretty hard.
Was it also about this time that you published your book?

Prof. Karmel:

Oh no, I published my book after I went back to Rogers & Wells because there were some very serious restrictions on me as a former commissioner from practicing before the SEC. I don’t think I could personally appear on any matter for a year and I certainly couldn’t work on any matter that had been started at the Commission while I was a commissioner whether I knew about it or not. So that was such a serious inhibition and that had been so much what my practice had been that I was very frustrated. In addition to that I almost immediately realized that I had made a mistake going back to Rogers & Wells. The firm was not going to really help me to develop in the way in which I then wanted to develop and I did not have any mentors there. Quite the opposite. And so I decided to write a book. This happened in a rather serendipitous way because a reporter asked me what I was going to do after I left the Commission, and I said, “I’m not really sure. Maybe I’ll write a book.” Then, people kept coming in to me and saying are you really going to write a book. And I was offered a grant from a think tank to write the book. That also was a little bit of a weird situation because I said “I’m a partner in a law firm, I have to charge my hourly rate.” So this turned out to be a very big grant. I also got two of my former counsel to help me with the book and I don’t know that I could have published this book otherwise. The book was basically an effort to articulate the policies that I was trying to promulgate as a commissioner. Some of them had been very controversial, others had not been fully understood, but I did not feel they were controversial. The book was not a look back on my career as a commissioner so much as a look back on all of the policy issues that had been before the Commission when I was a commissioner. That book was published in 1984, but written earlier. It’s a long process getting a book published after it’s finished. And I left Rogers & Wells in 1987.

Was writing the book, part of what rekindled your interest in academia?

Prof. Karmel:

I’ve always liked to write. All the time I was in private practice, I was publishing law review articles. So, yes. I thought if I become an academic, then I will be able to spend much more of my time writing articles, and maybe some more books although so far I haven’t written any more books. But this year I have a full year sabbatical, and I promised to write a book. I have somehow enjoyed writing articles more than thinking about writing an entire book. It’s a different kind of an effort.
You tend to write very topically.

Yes. I like to write topically and I like to take a subject, explore it, and then be done with it. Then, I move on to something else.

So what about teaching? Were you excited about teaching, nervous about teaching?

I was very excited. I had taught as an adjunct at Brooklyn Law School in the early 70s and then after I was a commissioner I taught a seminar at Brooklyn Law School, and I taught a seminar at NYU. I've always loved teaching. I was very excited about the prospect of becoming a full-time academic. It's what I had always really wanted to do although I think I'm very fortunate that I became a professor after I had been in practice and been in the government and at the time was already on some boards. First of all, I think it made me a much better professor in a law school. Secondly, I have been much more satisfied with this career than I think I would have been if I had gone into it right out of law school.

Why do you think that?

I very much enjoyed private practice. You may not get that impression from some of the things I have said because it was a struggle but I really did enjoy private practice and I've always felt that's what lawyers do, they practice law. I also very much enjoyed my time in the government. I think if I had gone into the academic world immediately after school, I would not have had the opportunities that I have had in my career and also I would have become somewhat dissatisfied with teaching the same subjects year after year and not being able to develop according to my idea of being a lawyer. Even today, sometimes when people ask me what is your profession, I'll say a professor. In forums this usually comes up. But sometimes or even more often, I'll say I am a securities lawyer. It's my sense of myself.
This is July 24, 2013 the fourth interview of Roberta Karmel. I'm Dana Brakman Reiser asking the questions for the ABA Women Trailblazers project. So, Roberta, I know that during your career you've been involved in many organizations that weren't necessarily your full-time job. So I wonder if we could talk about some of those. Perhaps we can start with your board service. I know you served on several different boards.

Okay, the first board that I joined at that time was called International Minerals & Chemical Corporation. It then became IMCERA and then it became Mallinckrodt. It was an extremely interesting lesson in corporate operations and governance. I believe I was asked to join that board shortly after I left the SEC. What happened is I was back at Rogers & Wells and a friend of mine, who was also a client, called me up to arrange a breakfast. I went to the breakfast and there was this friend, who was an attorney at Merrill Lynch at the time, and another Merrill Lynch person from Chicago, who I later learned was a retiring board member of International Minerals & Chemical Corporation and the Chairman of the Board of the IMC as it was then known. We had a lovely breakfast and I kept thinking that the purpose of this breakfast was that they were going to retain me for some kind of a transaction and I kept thinking, "when are we going to get to the deal? They're only asking questions about me and my life. And at some point I realized, oh this is some kind of a weird job interview. I don't know for what." And it turned out they were looking for a board member to replace the man from Merrill Lynch who was retiring and shortly after that I was asked if I would join the Board as a director. I was rather reluctant to do it. I knew that many lawyers at that time, including Bill Rogers, joined boards in order to get business and they represented the companies on the boards on which they sat. But, coming out of the SEC, I knew that the SEC did not approve of this kind of an arrangement and I really didn't intend to do that. And I thought I'm a lawyer; I'm not a business person. What can I contribute to this organization? I'm trying to get back into private practice. So there ensued some rather odd negotiations between Dick Lennon who was Chairman of the Board of IMC, Bill Rogers who, of course, was the head of Rogers & Wells, and me. And there was one meeting where it was almost if Dick Lennon was coming to Bill Rogers to ask for my hand in marriage. They were both a
generation older than I was, and they made me feel very young and naïve. So, socially it was a little awkward. In any event, Bill Rogers thought this was a good idea. He was on a number of boards. Although I did tell him that I was not intending to solicit business from this company, nevertheless he thought it was a good idea. So I joined the Board and I’m very glad I did. It was a challenging experience. I learned a tremendous amount. I hope I contributed something to the company. I was on that Board for 20 years. I met a number of people I otherwise would never have had the occasion to meet in life who were the executives of the company and also other board members. I served on a variety of committees. They had interesting and, at the time, rather up-to-date corporate governance arrangements so that the directors rotated among the various committees. I was on the audit committee and for a while was chair of the audit committee. I was on the compensation committee and for a while was chair of that committee. I was on the corporate governance committee and in addition to learning about corporate governance from the perspective of serving as a director, I also learned about modern-day business. This company was a fertilizer and specialty chemical company when I joined it. By the time I left the Board 20 years later they did not have a single business unit that they had had when I joined the Board. They were constantly buying and selling portfolio companies. There was a time when they spun off the fertilizer business. It is even today a separate public company. When they did that they purchased Mallinckrodt, a well-established medical device and specialty chemical company and that became their main business operation. Eventually this company was sold to Tyco. I don’t know if there are any other questions you want to ask me about that experience.

Well serving as a director, you said you got kind of a different perspective. Did you have a different perspective on regulation serving as a director or did it change your view from what you thought about how companies ran when you were at the SEC?

Well I had always been somewhat knowledgeable about financial institutions because many of them were my clients and I had some idea how those organizations operated. But I had not been associated in any way with a large industrial company and at first I was quite shy about expressing my views, which probably was wise. But then at some point I figured out, this was when they were in the fertilizer business, that this was a commodities company, I understand this. They are trading in commodities. And then it became easier. Yes, it did change my views, but I would say more it enhanced my understanding of how corporations operated in terms of their day-to-day operations and also in terms of their corporate governance. I find it useful in teaching corporations because I am able to say to students frequently, “well this is what the
black letter law is but let me tell you what goes on in the boardroom, it's a little different.”

Prof. Brakman
Reiser:

And there's been a lot of concern in some quarters about the small number of women on corporate boards of large corporations. Were there other women on the Board with you?

Prof. Karmel:

No. I was the first and only woman. After a while another woman joined the Board and then there were two of us. I believe that the reason I was recruited for this Board was because this company not only had no women directors, but they virtually had no women anywhere in the company. The company was involved in mining where women are considered bad luck. I once went down in one of their mines and I think everyone was a little nervous and they made me a pink hard hat and said, “oh is that okay?” They really didn't know how to handle this whole situation. They were a little embarrassed. But it didn't bother me particularly. I thought it was fun going down in the mine. But I knew that it was considered bad luck for a woman to go down in a mine, and I hoped there were no repercussions from my visit. So that company was somewhat forward-looking and they were looking for a female director and later on they tried to promote some women into executive positions. There was a woman who was head of communications and by and by also a woman who was controller and a woman who was head of investment relations. These were not simultaneous. At some point I believe there was a woman who became head of the St. Louis plant for Mallinckrodt which was more unusual. The company was trying hard to bring women along but still there were very, very few women in the company.

Prof. Brakman
Reiser:

Some of the critiques of the paucity of women and other under-represented groups on corporate boards talk about the need for more board diversity because it will enhance deliberation and bring in different views. Do you feel like that was borne out by your experience?

Prof. Karmel:

Well I certainly had a very different background than most of the executives on their board and most of the other directors. I guess I contributed diversity to the Board. How that was manifested in board deliberations, I'm not too sure. I think part of what I brought to that board was really my background as a former SEC commissioner. I was very sensitive to certain issues having to do with a company's accounting and books and records and their filings with the SEC. But that was something that a man could have sensitized the company too also. Once in a while there was an issue that involved female and minority hiring that came before the board, but this was fairly rare. I think the biggest impact it made is that the female executives in the
company were very pleased to have a woman in the board room and they told me that they felt it helped them to get promoted in the company, and it made them more comfortable when they were giving presentations to the board of directors. So it had an impact but I think that impact was rather subtle.

Prof. Brakman Reiser: Sounds a little bit like how you learned when you left the SEC how many of the women working there found your role as a commissioner inspirational.

Prof. Karmel: Yes, but inspirational may be a little too big a word.

Prof. Brakman Reiser: And I know you also received an award from the Direct Women organization that had to do with your service as a director.

Prof. Karmel: Yes. But talking about that award would be a little out of order. So maybe we should get to the other board service. Because then in 1983 I was asked to join the Board of the New York Stock Exchange. That was something I actually sought out. After I left the Commission, I wanted to continue being involved in securities regulatory matters and although when I joined the IMC board, I felt not completely qualified for the position, when I joined the New York Stock Exchange Board, I felt very qualified for this position. That came about as many board appointments do, partly through some personal relationships. When I was a commissioner, the New York Stock Exchange was having certain issues at the Commission and Mil Batten who was Chairman and John Phelan who was at that time an executive officer, would come to Washington and speak to the various commissioners. I was really quite impressed with both of them. Then later when I got back to New York, John Phelan was promoted to President. When that promotion was announced, I did something that was a bit uncharacteristic for me because I didn’t know him very well. I called him up and said, “congratulations. I was always very impressed with how you comported yourself when you came to the SEC to give presentations or try and persuade the Commission or commissioners of a particular perspective and I’d like to take you to lunch.” And I did. We had lunch and we chatted and had a lovely conversation. Then later on, I kind of let it be known that I would really like to go on the board of the Stock Exchange and at that time, Sandy Weill who had been a client way back when I was at Willkie Farr was then chair of the nominating committee. The New York Stock Exchange had an independent nominating committee. So I think because of my personal contacts I did get the opportunity to join the board as an independent director, although I can’t say I was friends with either John Phelan or Sandy Weill. They both knew me. At that time the New York Stock Exchange had a constituency board so that they had half directors from the securities industry and half public
Prof. Brakman: And when that happened did the Board play a very active role in managing the Exchange’s reaction?

Prof. Karmel: Not really, I think this was a period when a certain amount of competition between the Stock Exchange members and the Exchange itself in trading was coming to the fore. So I think that many of the board members from the large firms, as opposed to the board members who were specialists, actually played a somewhat negative role in creating the crisis and in the reaction to it.

Prof. Brakman: You say it was a very different institution then than it is now. Have you, since your time on the board, continued to follow the stock exchange closely?

Prof. Karmel: I have followed it. Until Dick Grasso was forced out, former directors were frequently involved in events at the Exchange and I believe I was even on, yes I was on two committees where persons who were not directors were on committees. Then after the reorganization which followed Dick Grasso being forced out, former directors were no longer
involved with events at the Exchange. I nevertheless continued to follow what was going on there and I knew a number of people on the staff. The third board that I went on to was at Kemper Insurance Companies which was a mutual property and casualty company. I went onto that board in 1994. The reason I was asked to join that board is there were some dual board members with Mallinckrodt and they were looking to recruit at least one new member. That was a less happy experience because that company is now in runoff, which is really a very slow kind of liquidation. I was not on that board for as long as period of time as the others, but it was an interesting experience.

Prof. Brakman Reiser: Is that the company that was a mutual?

Prof. Karmel: Yes, it was a mutual insurance company. And it was regulated by the Illinois Department of Insurance.

Prof. Brakman Reiser: So is it a more highly regulated industry than Mallinckrodt?

Prof. Karmel: Yes and no. Most businesses in the U.S. are regulated by some agency. Kemper was regulated as an insurance company. It was a property and casualty insurance company. So the insurance business was highly regulated. IMC/Mallinckrodt was simply regulated differently by different agencies and in certain respects it was just as regulated. For example after it became a medical device company, it was regulated by the Food and Drug Administration. It also was regulated in terms of worker safety by OSHA. It was regulated in terms of many of its activities because it was a chemical company by the Environmental Protection Agency. So one of the things I learned on these different boards is most big businesses are highly regulated and there are differences in that regulation, but there are also many similarities. And of course, except for Kemper, the other companies were regulated by the Securities and Exchange Commission also.

Prof. Brakman Reiser: I was remembering your experience at the SEC of seeing industry engage with Congress and having Congress affect regulation. Did you see that from the other direction in serving on the boards?

Prof. Karmel: I did not see it at IMC/Mallinckrodt although I learned, to my surprise, when we were in the commodities business that fertilizer is a cartel and there's something called the Webb-Pomerene Act that makes it a legal cartel because many of competitors to U.S. companies are actually governments. Kemper, of course, was regulated by the Illinois Dept. of Insurance. There I saw a lot of lobbying. The New York Stock Exchange was quite different because it's very heavily regulated by the
SEC but I saw that when I was an SEC commissioner from one side and then I saw it as a board member of the New York Stock Exchange from the other side.

And then the New York Stock Exchange was kind of an unusual type of nonprofit organization, but you also served on some true nonprofit boards.

Yes, I was asked to be a trustee of the Practicing Law Institute in either 1980 or 1981, I’d have to look it up. I served as a trustee on that organization until this spring when I had to retire because of my age. And there I served on many different committees over the years. For the last year, I was chair of the Board of Trustees and that was a lot of fun although it was not for a very long period of time.

And what does PLI do?

PLI is a continuing legal education organization. It is a nonprofit but it operates in many ways like a business, or maybe I should say more like an educational organization. It does not fundraise like most nonprofits do, and it publishes books. I believe it’s the largest and maybe the only U.S. legal publisher of books left because most of the book publishers have been taken over by English companies. It also does a great many conferences and programs that are CLE programs. It has a conference virtually every business day of the year. It’s quite an active organization.

And what kind of issues did you address on the Board?

It depended on what committees I was on over the course of time. For example, at one point I pushed for the board to form an audit committee, which they did and I was on the audit committee. They always seem to put me on audit committees. And I was concerned about their programming. Their main business really is their programming. I was on their strategic planning committee. There were ups and downs during the period I was on the Board. More ups than downs. But there were some ups and downs. And so then we had to be concerned about our finances. I was concerned with executive appointments. I was also on the compensation committee and the nominating committee. I was on that board for so long, I served on a lot of different committees. And so over time I came to grips with a lot of different issues.

Do you feel that there were important differences between serving on a company board and a kind of quasi-public institution like the New York
Stock Exchange and then on a non-profit board.

Prof. Karmel: There were differences. There were similarities, but there were also differences. PLI for example didn't have to worry about the price of its stock, it didn't have to worry about its earnings quarter to quarter. The New York Stock Exchange was also a mutual, as was Kemper, but they were somewhat different. Kemper was a mutual owned by the policyholders. The New York Stock Exchange was a mutual owned by the members of the securities industry. So there were different dynamics between a mutual and a stock company. But at the same time, these were all businesses concerned about the strategy and profitability of their business.

Prof. Brakman Reiser: Would you recommend to lawyers developing their career to get involved in board service?

Prof. Karmel: Yes. Except that they should not do it thinking they are going to make those organizations their clients.

Prof. Brakman Reiser: Right. Are those all the boards that we should cover? I know there were some other really important organizations you were involved with as well.

Prof. Karmel: I served very briefly as a board member of two other nonprofits but I don't think we need to go into that.

Prof. Brakman Reiser: So I know you've also had a long association with the New York Law Journal and you've been very involved in the American Bar Association.

Prof. Karmel: Right, well I have been a columnist with the New York Law Journal since 1980. Being an SEC commissioner really opened all these doors for me so it was a wonderful opportunity. I became a columnist on securities regulation after I was an SEC commissioner and I have continued to do that writing a column every other month for all these many years. Students are sometimes surprised at the variety and number of different topics that I've written about in my law journal columns and in law review articles. I have often used my law journal columns as a way of thinking through certain issues and then later written at greater length about those issues in law review articles.

Prof. Brakman Reiser: Do you find there are issues you come back to again and again?

Prof. Karmel: Some, yes. I don't think regulation really changes as much as you might think in terms of basic issues.
We should talk also about your involvement with the American Bar Association.

Yes, that’s been another important part of my career. I was encouraged to become involved in Bar Association activities by Ken Bialken when he was partner at Willkie Farr and I was basically his associate, as I think we’ve already discussed. And so I did. I was on a couple of committees at the Association of the Bar of the City of New York before I became a commissioner. But then after I was a commissioner I did not really become active again in that Bar Association, but I’ve been a long-time member of the Federal Securities Committee of the Business Law Committee of the American Bar Association. I continue being quite involved to this day. I have made many friends going to meetings at the ABA. I have been on many CLE programs and most recently I was on an ABA task force having to do with the financial meltdown and the reaction to it. That went on, I believe, for three years. Many old friends and I got together every other week, along with some people that I hadn’t known before. We discussed the various bills that were under consideration or that should be under consideration in connection with the 2008 financial crisis. That committee has ended.

Did you release a report?

No, we produced a couple of small pieces and the ABA got involved in some legislative matters. I was asked to be an advisor to the business law committee several years ago and I am now what’s called a continuing advisor so I don’t have any particular responsibilities in that role. I simply am supposed to go to meetings and interact with different people, and I do.

I remember when you received the Margaret Brent Award from the American Bar Association, correct?

Yes, it was very exciting. I should point out that one of the other recipients that year was Mary Jo White, who is now Chairman of the Securities and Exchange Commission. That was a very moving and flattering award to receive. I also received an award from Direct Women for my board service and at that time Direct Women was under the umbrella of the American Bar Association. It has now spun off and is a separate organization.

So you seem to have had an extremely full professional life outside of your full-time jobs?
Prof. Karmel: Yes.

Prof. Brakman Reiser: Is it easier to attend to all of those obligations since you moved to being a full-time academic? Was pursuing some of those roles something that it freed you to do?

Prof. Karmel: Well, I always felt that all of these outside roles were an important part of my career. When I was in private practice I thought it was important because a lawyer is always trying to get his or her name out there and have people recognize you as an expert. And, you hope that your current clients will be impressed and that you will be able to attract future clients. So I always felt that was part of my career when I was in private practice trying to build a practice. As a professor, I also have it as part of my career. It brings publicity and credit to the law school for me to be involved in these different activities and the various deans at the law school have always encouraged me to continue with these activities. Maybe we should stop there because I think the only topic left is Brooklyn Law School.

Prof. Brakman Reiser: Okay.
This is the fifth interview with Roberta Karmel and today is July 30, 2013. I am Dana Brakman Reiser and we are here at Brooklyn Law School. Roberta, we were talking in our last interview about many of your professional activities outside of your specific job. One thing we didn’t have a chance to talk about was your participation in the Federal Securities Code project.

Right. Well I think we should talk about my participation in American Law Institute programs generally. The first one of those was the Federal Securities Code that was run by Professor Louis Loss from Harvard and it was an effort that went on for many years and it was his rewriting of the Securities Act of 1933 and the Securities Exchange Act of 1934. This was an American Law Institute project; the SEC was heavily involved. And I was somehow part of the group working on this even before I became a member of the ALI. I don’t exactly remember how that happened because it was before I was an SEC Commissioner, but I used to go to the deliberations. And these went on for years. Then when I was an SEC Commissioner, the Commission considered the Federal Securities Code project. We spent, I think the Commission itself spent a thousand hours on this or something like that, or maybe that was the Commission and the staff. It was a very big effort. The Commission had some problems with it because if that Code had become law, it meant that the SEC would have had to rewrite all of its rules under the Securities Act of 1933 and the Securities Exchange Act of 1934, which would have been a mammoth project. So it was a bit controversial at the Commission and that project kind of died because although a bill was drafted in Congress to introduce the Federal Securities Code as legislation, it never was even introduced in Congress. So it was never debated, it was never marked up, the SEC never took any kind of a position on it. Louie Loss was somewhat bitter about that. Nevertheless, the Federal Securities Code project did have a marked influence on the Securities and Exchange Commission in its rulemaking and its thinking about integrating the Securities Act of 1933 and the Securities Exchange Act of 1934. When I was a Commissioner, we embarked on the project to somewhat integrate the disclosure requirements of those two statutes. That led to a regime where public companies could incorporate by reference their filings under the Securities Exchange Act of 1934 in their ‘33 Act offerings. So I would
say the Federal Securities Code had an influence on securities regulation but it never became a statute. The next American Law Institute project I worked on was after I was a member of ALI and that was the Corporate Governance Code project which also went on for many, many years. My oldest son was an undergraduate at the University of Pennsylvania. When I went to Philadelphia for meetings of the consultants to the Corporate Governance Code project, I used to have dinner or lunch with him. Many years passed. He spent a year in England. He spent three years in law school. He came back to Philadelphia to clerk for Judge Edward Becker there. And I called him up one day and said, "oh, I'm going to a meeting on the [Corporate Governance Code] project and maybe we could have dinner?" He said, "Mom, what, you're still working on that? Do you know how many years it's been since I last lived in Philadelphia? I said, "I know, it's been a very long and controversial project." So this project was really mired in controversy. It was not a restatement of the law with regard to corporate governance but what some people called a pre-statement, a forward look at what the law should be and it was an influential project, but it was as I said, strongly opposed in some quarters. The Business Roundtable hired a lawyer to come to the meetings and make objections to various parts of the Code. There is supposed to be a principle at ALI meetings that lawyers who come to the meetings leave their clients at the door. This did not happen with regard to that project. Lawyers were representing their clients' interests. Many big companies were opposed to parts of the project. And I personally felt very caught in the middle on some of the votes because as a former SEC Commissioner, some people assumed that I would vote in a particular way but, then I was back in private practice representing certain clients who were unhappy with the project and people were always asking me how I was going to vote and I felt very uncomfortable with that question. I just said I'm going to vote my conscience, however I think I should vote. That shows you how politicized that entire project became. It was finally concluded but after many years of controversy. It did have an impact, I think, on the law, but not directly.

Prof. Brakman Reiser: Very interesting. So you were involved in so many law reform projects during your time in practice, and you continue be involved with those now in the many years since you entered academia.

Prof. Karmel: Yes.

Prof. Brakman Reiser: So tell us a bit more about your decision to become a professor and how it's been.

Prof. Karmel: I always wanted to be an academic. I started exploring that possibility shortly after I graduated from law school. But the academic world was
not entirely closed to women but almost entirely closed in terms of good tenure-track appointments and certainly in business law topics. I taught as an adjunct at Brooklyn Law School in the early 70's after I was a partner at Rogers & Wells and before I became an SEC Commissioner. I really loved doing it. I used to teach securities regulation, 2 credits in the fall, 2 credits in the spring, on Friday afternoons 2 to 4. It was sort of the end of the week and in many ways the highlight of my week. That was a period when many women who had not worked, or certainly not worked as lawyers, but had raised children were coming back to go to law school. So I had many women in my class who were older than I was and I felt a little embarrassed because they used to come to me after class and ask me for advice. And I would think “why are they asking me for advice? I could be asking them for advice. They’re senior to me in life, if not in the law.” I really enjoyed those classes and I also think they were very good training for becoming an SEC Commissioner, because as a Commissioner, I had to give a lot of speeches and I became fairly well-known for some of my talks. And I think I never could have gone out and given as many speeches if I had not had four years of the experience of teaching a class in securities regulation. Then, after I came back to New York from Washington after being a Commissioner, I once again explored the possibility of going into the academic world. I did teach a seminar at Brooklyn and a seminar at NYU and I seriously explored becoming a professor at NYU Law School but that did not work out. I also explored the possibility at Columbia Law School. That also did not work out. I think there was a certain amount of sex discrimination in both of those situations. And I think that one reason it was so difficult for women to break into the academic world is that academics, professors, do the hiring for law schools and they hire people in their own image. Also the law schools somehow were never impacted by the Civil Rights Act and other legal and social pressures that were put on business and the law firms compelling them really to advance women. So I was quite frustrated in this job search. David Trager who was then Dean at Brooklyn Law School did indicate that he was interested in recruiting me for the faculty and I have to say that, at that time, Brooklyn Law School had more female professors than any law school in the country. It was one of the few law schools that was quite open to the idea of having female academics. So when I ran into difficulties at Rogers & Wells and decided I really had to leave that firm, I spoke to David Trager and said, “well, I know you’ve always been interested in having me come on to Brooklyn Law School as a full-time academic. I can do that now.” And he called a telephone meeting of the faculty and I was given an appointment. Interestingly, at the same time, Joan Wexler who had been denied tenure at NYU was also given an appointment in the same manner, that same spring. That would have been the spring of 1986. So we came on board in the fall of ’86. David Trager said to me, “the schedules have already been drawn out for the
fall. So I can break up one of the first-year classes. Do you want to teach contracts or torts?” I said, “I’ll teach torts. I think that Section 10(b)(5) cases are really based on tort law. I should have an easier time of that.” In fact, I found out a lot of tort law had nothing to do with Section 10(b)(5), although it is true that Section 10(b)(5) and Section 10(b)(5) cases are based on tort law, increasingly so with interpretations by the current Supreme Court. So I had some difficulty with some aspects of the course, but fortunately I had some students who had other professions before coming to law school. In particular, there was a group of nurses in my torts class. They were very helpful as students giving some insight into some of the cases. I really enjoyed teaching torts. I taught torts for four years. I also taught securities regulation. At some point, there came a need for me to teach corporations and also to teach administrative law. Because I was teaching those two courses, I stopped teaching tort law. So in the course of my now long career at Brooklyn Law School, I have pretty continuously taught securities regulation. And for many years, I have taught corporation law every year and I have taught a variety of seminars on financial regulation, international financial regulation. I also for a few years taught European Union law. So I’ve been fortunate in having a variety of different courses that I have been able to teach and all of those courses have been within my interests as an academic and a lawyer. One of the reasons that I wanted to go into the academic world is that I have always had an interest in writing. When I was a little girl I thought I was going to be a writer of novels but instead I have become a writer about the law. And a few years after I left the SEC, I was invited to become a regular columnist on securities regulation for The New York Law Journal and I’ve done that ever since. In fact, I’m working on a column this week that will be published in August and I have written six columns a year, most years since I believe 1982 or 1983. I should check the exact date. And it was only in the mid to late 90s when my late husband had some very serious health issues and died and I remarried that I actually did not do six columns a year but I went down to four columns a year for a few years. I have also written probably over sixty law review articles. I haven’t counted recently. I have had on my resume for some time, that I’ve written over 50 law review articles and I’m sure that’s out of date. And that’s what I really enjoy doing as an academic is writing law review articles. I did, as I think we already discussed, write a book shortly after I was an SEC Commissioner but, I’ve not since actually written a book, although I’ve thought about writing several different books on several different topics. I’ve never taken on that job although right now I am embarked on a book project during my upcoming sabbatical.

One of the things you’re known at Brooklyn Law School is your leadership at the Center for International Business Law. Would you tell
me a little bit about how that was formed?

Prof. Karmel: Yes, shortly after I came to the law school, I felt very grateful to have the opportunity to do what I had long wanted to do and that was to be an academic. So I said to David Trager, you know, I would really like to do something special for the law school and I think maybe one of the projects I could take on would be forming some kind of a center. My idea was the center would be primarily about securities regulation, but a group of faculty members got together to discuss this. Jerry McLaughlin who then was here, was very interested. Barry Zaretsky was very interested. And it was actually Barry’s suggestion that if we were going to form a center and that center was going to be about securities regulation and perhaps other business law topics that we should give it an international orientation. I said, “oh, that’s a great idea, I’ve always been interested in international securities regulation and international financial regulation generally.” So we formed the Center for the Study of International Business Law. It was the first center at Brooklyn Law School and it was a center on international business law that really pre-dated a lot of similar centers that have since been set up at other schools. And the way the Center was originally structured and has remained is that we have put on many conferences on international business law topics. I always insisted that these conferences result in publications for one of our Law Journals. The International Law Journal was in existence at that time and so was our Law Review and so all of our programs resulted in publications in one of those two journals except for a recent program we had last fall that was a scholars’ conference where we did not insist on law review articles from the participants. In addition to that part of our work, we always tried to have some programs that were an outreach to the profession and particularly to alums of the law school but also to the legal profession in New York generally. We’ve had a number of interesting and prestigious speakers. At these kinds of programs, we have had a breakfast roundtable series for many years. Early on, I was able to have these roundtables at the New York Stock Exchange and that was very exciting for students and faculty and lawyers who came to the programs. It became actually rather well known in New York, people would call me up and ask to be put on the list of invitees for the programs. We had a lot of government officials who came to speak at those programs. At some point, it became too difficult to get into the Stock Exchange building because of all the security that was put in in the years after 9/11 and also once the Stock Exchange became a public company, it became a very changed organization and was no longer interested in sponsoring these roundtables. But we have continued to have the round tables at various venues in New York City, at some of the clubs in New York and at some of the law firms in New York. In addition to that, and this is something that’s gone on more so in recent years, we’ve had a number
of scholars from other law schools and from law schools abroad come and give talks at the law school. A very important part of the Center’s program has been our student-fellows. We started with student-fellows early on. Our very first fellow was a woman named Irene Skiddan who had been in my torts class and I thought she was a terrific student and I invited her to apply to be a fellow in the program and that year, we only had maybe three or four student fellows. Irene went on to practice international law and for a while she was I think at two different law firms in Moscow. I have to say I’ve lost a little track of her. I think she graduated in 1987, but I still remember her very fondly as our first fellow. And as the years have passed, we have had an increasing number of student-fellows so that we have gone up as high as 24 students in the program. These student-fellows have a required curriculum but they’re in courses with everybody else. They are invited to all of the programs that I have described. We also have some brown bags that are just for the students. These brown bags feature a speaker who does do international law and who comes in at lunch and says, “so you all want to be international lawyers, I’m an international lawyer and this is my career trajectory.” Also, all of these fellows are required to write a publishable paper before they graduate and present that paper to the rest of the group of fellows and faculty steering committee members. I think this has been a very successful program and I run into former fellows everywhere I go.

Prof. Brakman Reiser:

Another thing that you’re known for here at Brooklyn Law School in terms of your leadership is your work on faculty appointments. I know from personal experience that you were involved in leading the appointments committee for several years in the early 2000s. What led you to seek out a role on the appointments committee?

Prof. Karmel:

Well, the school had gone for a number of years without any successful hiring. I don’t remember how many years. And I felt we really needed to increase the number of young faculty and I went into the Dean and said I’m kind of fed up with the situation we’re in where the faculty and you cannot seem to agree on any candidates that we should hire. And in addition, when we finally make an offer, that offer doesn’t seem to be accepted. I think we need a different kind of approach to faculty hiring, and I’m willing to be chair of the appointments committee. The Dean was a little surprised that I was willing to take on this horrible job, and said, “yes we need more faculty members.” So the first year I did that, I believe we hired six, I think six new faculty members. In fact that year, people used to ask me “what’s the goal for hiring this year?” I said, “as many people as we can hire.” And we hired six outstanding members of the faculty. Some of them are no longer at the school for one reason or another. One of them, Claire Kelly, just became a judge at the Court of International Trade and I was very proud of all of the young faculty
members that we hired. Then I did a second year because usually one runs this committee for two years in a row. And that year the dean only gave us the authority to hire one new faculty member and we hired Steven Dean, who is still at the school and has himself taken on some leadership roles here. Then I did not do this for the next two years but again, we didn’t seem to be very successful in our hiring. So I said okay, I’m going to do this again and I did it for two more years and we did some more hiring and we hired again some outstanding young faculty members, some of whom are still here and some of whom sadly have moved on to other schools.

Prof. Karmel: I should go back and say one of the ways in which I think I changed the orientation of our hiring at Brooklyn Law School is the attitude used to be when a candidate came in, “is this candidate good enough for us?” We looked at the candidate very skeptically, and I decided this was an erroneous approach and our approach should be a recruitment approach of telling everyone we interviewed why they should want to come and be a faculty member at Brooklyn Law School. My philosophy at the time was even if we do not invite a candidate back or even we do not make an offer to his candidate, everyone we are interviewing is going to be an academic at some school in the country and we want them to think that Brooklyn Law School is a great place, which it is. So I think this change in approach was very useful and successful recruiting of new candidates.

Prof. Brakman Reiser: So many of the faculty members at the law school now, you helped to recruit, and others you spent many years being colleagues with. Is being a part of the faculty community important for your scholarship?

Prof. Karmel: I don’t think it’s important for my scholarship so much as important for my teaching and for being part of a significant community in my work life. My colleagues at Brooklyn Law School have been very important to me as colleagues and friends. I think being part of a community is an important part of life.

Prof. Brakman Reiser: And as part of that community, you have been a mentor to many people coming through the law school. Not only through appointments with younger faculty members, but also with your students in the Center I know you also work with a lot of research assistants. You have the International Business Law Center Fellows, and all the folks you brought through the recruiting process onto the faculty. Do you see your mentoring role an important part of your job here at Brooklyn?

Prof. Karmel: Yes, I don’t think I consciously set out to be a mentor, but I find that role extremely satisfying. It is wonderful to hear from former students that I have influenced their careers. I particularly enjoy hearing from
my former research assistants because I’ve done so much academic writing. I have had one or more research assistants every year that I’ve been teaching and I think I’ve developed a particularly special relationship with many of them. I like to follow their careers. I think the women particularly have kept in touch with me, sent me pictures of their babies when they have children, tell me when they got married, etc. But I have stayed in touch with a number of former students and former research assistants.

Prof. Brakman Reiser: Are there certain themes in the advice that you give to students over and over?

Prof. Karmel: Yes. I usually tell students to be aware that their career belongs to them and how they develop their career is their responsibility. Their career does not belong to any one employer they might have. I think this used to not be the case in the legal profession. Often, a young lawyer went to a law firm and stayed there for his or her entire career. This is no longer the case. So I try and tell students they have to develop a specialty of some kind so that if they have to go for another job, they will have something to offer a new employer. At the same time, they should not get stuck in a specialty that’s too narrow. I think of all those students who were doing nothing but structured finance deals in 2007 and 2008 and then got fired and did not have a lot of other skills and expertise to offer to new employers. I also tend to advise young colleagues and students who are women that they shouldn’t sacrifice everything for their careers. Their careers should be very important and I’m very distressed when I hear that some former student has dropped out of the legal profession. At the same time, though I think that women and men should have full personal lives, that they should have families. I often encourage young women to have children because I think if someone only devotes themselves to their career when they get to be older, they don’t have a network really to fall back on if they have problems in life. I find my children are a source of great help to me now that they are all grown up and parents themselves. And I find grandchildren a wonderful experience.

Prof. Brakman Reiser: We definitely want to come back and talk a little bit more about your family. Before we leave Brooklyn Law School, I wanted to ask you, there’s so much controversy about the future of the legal profession and legal education. Do you have thoughts about how legal education at Brooklyn Law School or more generally will change in coming years?

Prof. Karmel: I think that law schools will go back to being more schools training lawyers for the profession and for jobs related to the legal profession. The law schools will become more focused on training and professional readiness, job readiness. This is the way law schools operated when I
went to law school and of course sometimes students took theoretical courses or academic courses that were not strictly speaking training one for a career as a lawyer. But this was a kind of a frill, frosting on the cake if you will. I think in the first decade of the 21st Century, a lot of law schools were trying to become part of a university setting and there were more and more law professors who felt the way to become a law professor was to get a PhD, maybe in a field that was related to law like economics, but maybe not. They entered the academic world and many of them were much more interested in teaching theoretical courses and writing theoretical law review articles than they were in working in fields that were relevant to the practice of law. I felt a little out of place in that world. I enjoyed practice and I always thought law school is supposed to provide students with the tools they need to practice law and that the law school should be connected to the legal profession. I think they’re going to have to go back to serving that function because I don’t think that students are going to pay the tuition and take out the debts that many students take out to enter law school to essentially go to graduate school. I also think the law schools are going to have to do something about the high cost of tuition and the enormous burden of student loans. This is not just a problem for law schools, it’s a problem for society. I think student loan debt is one of the next serious causes of a financial crisis. There is simply too much student loan debt, debt that students are unable to pay because they are not getting high enough paying jobs. Now, of course, this isn’t just law students, it’s also undergraduate students. So I think this is a problem that the law schools are going to have to confront fairly directly. I don’t think that’s going to be an easy problem to solve but if it isn’t solved, given the economic pressures on the law schools, we will have law schools only for the very rich, the top one percent and I think that is quite contrary to the American legal tradition.

Prof. Brakman Reiser: Very interesting. You mentioned your book project, working with your *New York Law Journal* columns, are there other projects you have mapped out for yourself in the future?

Prof. Karmel: Yes, actually I would like to write a memoir. So this project is a good way to get me started on that idea.

Prof. Brakman Reiser: We’ve spent so much time on your professional career and you’ve mentioned your family as it often intersected with that career. We should spend some more time on your family and your personal life, as you see it is extremely important and you’ve been a very devoted wife to two husbands, as well as a mother and now a grandmother. So can you talk a bit about your family?

Prof. Karmel: Yes, I think we probably talked about my first marriage, I’m not sure. I
can’t remember all the conversations we’ve had. My late husband, Paul Karmel, contracted Hodgkin’s Disease in his 30s and had radical radiation at that time and was quite sick. I felt that he might not survive this disease and I think that was an important financial pressure on me to keep on working as a lawyer and to become successful financially as a lawyer. Fortunately, he did not have any reoccurrence of the Hodgkin’s Disease but the radical radiation left him with a number of very serious health problems. Sometime in the 80s he had a heart attack and this quite possibly was a result of the radiation treatments he had because at the time the cardiologist said, this kind of a heart attack is usually only suffered by someone who smokes three packs a day of cigarettes and he didn’t. In addition to that, the nerves in his arms were slowly dying. Then in the mid-90s, he had an infection in his sternum, which can happen to someone who has had the kind of radiation that he had. Around Christmas time of 1993 he was hospitalized for this infection and he stayed in the hospital until March. He never had to go back into the hospital but he did not really recover from this infection in his sternum and his heart trouble became more serious. In August of 1994 he died. During this period, 1994, 1995 and a few years after my practice actually fell apart. You can’t do everything. And as I said before I didn’t really do as much legal writing as I had done in the past. While Paul was in the hospital, the students at Brooklyn Law School were so kind and sympathetic. I wasn’t doing a very good job as a teacher either. But they were really very supportive. It’s something I have always appreciated about the student body at Brooklyn and the faculty is that they have always been very supportive of professors generally and other students. It hasn’t been the kind of competitive, Professor Kingsfield Paper Chase atmosphere. I hope this doesn’t change as law school becomes more competitive and the job market becomes more and more competitive. I have sensed a slight change in the last few years, but I think by and large the students are still very supportive of one another and of the faculty. It’s a bit of digression but it did help me get through this very difficult period. After my husband died, my children and I, I think all felt “all right, our lives have been on hold for about a year now if not longer and we all have to move forward.” In fact my husband died in late August right before school was going to start and he found out that he was not going to be able to go back to teaching. He was still a professor and he had not taught the semester before. I think that had a very bad effect on his will to live and he said to me, “well you’re going to have to go back to work.” I said, “yes, I have to go back to work.” And he said also, “I don’t know how much longer I’m going to be here with you, and if I’m not, you should get married again. I don’t think you’re going to do very well on your own.” I said, “okay.” And the day after that conversation, he died at home; I was with him. So at that point I thought “yes, I have to get my life together again, decide what I’m going to do, I am still very young to
be a widow.” I was only in my late 50s. My oldest son had gotten married that June while my husband was still alive. My second son had been going out with a woman for some time and he decided to marry her. My third son had been teaching in Amherst and had lost his job and was having a fight with his landlord and called me up and said, “Mom, you’re not used to being alone. Do you mind if I come back to live with you?” I said, “no”, but I really did not think this was such a good idea for him. And then my daughter went back to school. She spent a year at the French Culinary Institute and then after that, she got a masters of arts and teaching degree at Columbia. My son, Solomon, went on to marry a woman he had been going out with for a while, and got his PhD degree at Princeton after Paul’s death. And that fall, right after Paul died, my son, Philip, my oldest son and his wife went to live in Jerusalem because she was about to embark on a PhD program at NYU in modern Hebrew literature. So about December, he called up and said, “Mom, you’re not used to being alone, do you mind if Barbara and I move back into the house with you?” I was not exactly alone, Jonathan was still living here. But yes, they moved back in. And then I said this is not a very good lifestyle for my children or for me, for me to be living with them. And for my children to be so much of my social life. All of this is a little bit of an aside from his project except I think it does show that we were a very close family. And I think that my late husband’s illness brought us all much closer together than we might otherwise have been. It’s sad to say, but illness in a family often does that. So I decided that I should follow my husband’s advice, and get married again. And fortunately I was able to meet someone who was a widower and who lived in Hastings and who I knew although not that well. We started dating around Thanksgiving the year my husband died in August and we were married the following October. That is my present husband, David Harrison, who is a lawyer and who I think many at the law school know because he’s come to many events. He had always been interested in my career and my life at Brooklyn Law School and has been happy to be part of the Brooklyn Law School community. And then when my husband, there were no grandchildren, but the following summer before David and I got married, my oldest son and his wife had our first grandchild, Jacob, who is now about to go off to college. It’s hard to believe. It seems like just yesterday, he was a little baby and there are eight more grandchildren from my children and one grandchild of my husband’s son. My husband has two children, a son and a daughter. When I was a little girl, there was a movie called Cheaper By The Dozen. And I said that would be great to have 12 children. And actually I do, because I have the four children of my own and each of them are married and that’s eight and then my husband’s two children, I’m their stepmother and one of them is married and the other has a permanent relationship she lives with, so that’s twelve children, plus ten grandchildren. So we have a very big family. And I
find that the family does take up quite a bit of my time these days. Because I do try and spend some time with each of my grandchildren.

Prof. Brakman Reiser:

That’s wonderful. Is there anything else that you would like to add as we finish up our conversation?

Prof. Karmel:

Not that I can think of today, Dana. I would say and this goes back to what you asked me before about the advice that I give to others is when I was an SEC Commissioner, I had a number of younger people who worked for me. They were all about ten years younger than I was and I was in my early 40s at that time. And all of them but one started their families. And people would come up and say, “what’s going on in this office, is it the water?” I said, “I guess it’s my influence.” I have always regarded those lawyers as part of the community that I’m part of also, and I’ve been very happy to see all of their children growing up. I have taken great pleasure being invited to the weddings of their children, and other events like that. So I think that kind of sums up my driving attitude in life. I have always been a very ambitious person in terms of my legal career and I’ve been fortunate to have had a very rich career as a government official, private practitioner, professor of law. I have also felt that family and particularly children are extremely important and I think it is a mistake when lawyers sacrifice a possibly rich family life for their careers. Although I don’t look down on people who do that. I think it’s a matter of personal choice but my advice to young women would be have a full life, have a full life. And that means not only a full life as a lawyer, but also a full personal life and that probably means something different for every individual. For many women it is having a family, for other women it may be other kinds of social interaction outside of their careers.

Prof. Brakman Reiser:

Thank so much. It’s been fascinating hearing all about your life and that concludes our interviews.