

U.S. SECURITIES AND EXCHANGE COMMISSION

AND

DEPARTMENT OF DEFENSE

MEMORANDUM OF UNDERSTANDING

I. Purpose and Basis for Memorandum of Understanding

This non-binding Memorandum of Understanding (MOU) establishes an partnership between the U.S. Securities and Exchange Commission (SEC), and the Office of the Deputy Under Secretary of Defense (Military Community and Family Policy). The partnership allows, under conditions outlined in this MOU, military installations throughout the Department of Defense (DoD) to draw upon the programs and services of SEC, as well as affiliate with regional SEC members to draw upon their programs, services and materials as a resource and part of the DoD campaign to improve the financial readiness of Service members and their families.

The purpose of the DoD financial education initiative is to assist Service men and women and their immediate families in their efforts to build personal wealth through reducing debt and establishing savings goals.

II. SEC

The SEC is a federal agency comprised of five presidentially-appointed Commissioners, four divisions and 18 offices. The primary goals of the SEC are to protect investors and maintain the integrity of the securities and markets. As more and more first-time investors turn to the markets, help secure their futures, pay for homes, and send children to college, these goals are more relevant than ever.

III. Description of SEC Coalition Programs, Services, and Materials

The SEC supports its mission by interpreting federal securities laws; amending existing rules; proposing new rules to address changing market conditions; and/or enforcing rules and laws. The SEC oversees key participants in the securities world, including stock exchanges, broker-dealers, investment advisors, mutual funds, and public utility holding companies. The SEC offers a wealth of information concerning how the securities industry works, investor protection and public company disclosure information on its

website. The SEC holds town hall investor forums in various locations throughout the United States, which cover relevant information for the average investor.

IV. Department of Defense

The DoD represents over 2 million active duty and reserve Service members in three military departments - Army, Navy and Air Force. As part of its social compact with Service members and their families to care for their quality of life, DoD provides personal financial management education and training to prepare them for their changing financial needs. Enlisted Service members receive the bulk of their basic financial education during the first 18 months of service. Follow-on programs that include family members are provided at military installations to fulfill local educational requirements.

Personal financial management is also seen as an integral part of personal readiness to accomplish the DoD mission. Poor money management skills may cause a Service member more than financial problems, and may also interfere with his or her ability to focus on the mission of defending the nation's interests.

V. Responsibilities

The Office of the Deputy Under Secretary of Defense (Military Community and Family Policy) and the SEC agree to the following:

Responsibilities of SEC

- A. The SEC agrees to make its publicly available information and tools concerning the securities industry world available to military personal financial managers, educators, and command financial specialists.
- B. The SEC agrees to work in partnership with DoD to setup and publicize, within the local military community, the dates and times of its town hall investor forums in cities and locations that are near to military installations.

Responsibilities of the DoD

- A. The DoD, through the three military departments, will use its Financial Readiness Program in conjunction with materials available via the SEC website to promote investor education and awareness among its Service members.
- B. The DoD will encourage Service members to attend SEC town hall investor forums.

VI. Amendment

The parties will review this MOU annually. This MOU may be amended by a written amendment signed by both parties.

VII. Effective Date and Termination

This MOU becomes effective upon the signature of the authorized officials of the respective parties. It remains in effect until terminated by mutual agreement or terminated for any reason upon 60 days advance written notice by either party.

VIII. Limitation

This document is a MOU only. It is entered into only as a declaration of present intent. Nothing contained in this MOU is intended to be construed as a legally binding commitment of any party or parties either individually or collectively. This MOU does not create any rights on the part of DoD or SEC or any third party. Any provision of this MOU that conflicts with any federal, state or local laws or regulations is null and void.

IX. Notice

All notices or other communications which may be given pursuant to this MOU shall be in writing and delivered as addressed below.

Susan Ferris Wyderko
Director, Office of Investor Education and Assistance
US Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0213
Voice: (202) 942-0110
Email: WyderkoS@sec.gov

Colonel Marcus Beauregard
Director of MWR Policy
Office of the Deputy Under Secretary of Defense (Military Community & Family Policy)
1745 Jefferson Davis Highway, Suite 302
Arlington, VA 22202
Telephone: (703) 602-4994

Fax: (703) 602-4977

E-mail: marcus.beauregard@osd.mil

Signatures:



John M. Molino
Deputy Under Secretary of Defense (Military Community & Family Policy)
Department of Defense
Date: June 19, 2003

Susan Ferris Wyderko
Director, Office of Investor Education and Assistance
US Securities and Exchange Commission
Date: Susan Ferris Wyderko