

Colson Firm Eyed 'Leaning on' SEC

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Former special presidential counsel Charles W. Colson and two of his law partners made plans last month to place a lawyer in a key position at the Securities and Exchange Commission to assist the law firm in representing its clients, according to an internal law firm memorandum.

The memo, dated April 19 to Colson from Charles H. Morin, one of Colson's law

partners, calls on Colson to mobilize "pressure from the White House" and "lean on" G. Bradford Cook, who was then chairman of the SEC, to obtain the appointment of King Mallory, 36, as SEC general counsel. Mallory was then—and still is—acting executive director of the SEC.

In the memo, a copy of which has been obtained by The Washington Post, Morin says: "This is one of the chips we really should pick up, because it is a key job in

the commission and one of extreme importance to us in representing our clients."

"In short," the memo continues, "let's get this guy (Mallory) in that job or (SEC chairman) Cook may turn into a disaster for us."

Morin also said in the memo that SEC Chairman Cook "ought to be reminded of how he got the job and how he almost did not get the job."

This was an apparent reference to Colson's support of Cook's appointment to

the SEC chairmanship earlier this year. Yesterday Cook said that both Colson and Morin "have been going around telling people that they got me the job . . . in fact they both called me to congratulate me on the appointment before it was announced."

Colson, who resigned his White House post in March, wrote across the top of the memo, "I'll call Cook if necessary, but I think Jerry Jones could lock this one for

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us." Jones is presently the White House aide in charge of recruiting personnel for top administration jobs.

A spokesman for Colson confirmed that the memo writing across the top was Colson's, but said the law firm never did apply the pressure suggested in it.

Colson acknowledged writing the note on the memo, adding: "I really think it is making a great deal of nothing."

Cook, who resigned earlier this month as SEC chief, but who has not yet been replaced, said yesterday that Mallory would not

be appointed SEC general counsel. "The only pressure I received was from Morin—I talked to him once—and from some Republicans on Wall Street," Cook said.

In an interview yesterday, Cook said that, in general, he resented the tactics of the lawyers from Colson's law firm. "For example," Cook said, "a couple of them took me to lunch at the Sans Souci with one of their clients from Pershing & Co. I was embarrassed by it . . . I felt I was a peacock being paraded around . . . then (at lunch) they started grinding on me about (SEC) rates."

One matter before the SEC is a request by Wall Street brokerage firms for a swift increase in commission rates, following a \$75 million loss by New York Stock Exchange members in the first quarter of this year. Morin serves as counsel to a group of 53 NYSE firms.

Mallory said yesterday that he was not aware the Colson firm was applying pressure for his appointment.

"I'm outraged, I'm astounded at the memo. I resent the implication that I'm anybody's man. I'm not going to dance to anyone's tune." Mallory acknowledged telling Morin and Arthur Mason, a friend and another associate at the Colson firm, that he was interested in the general counsel job, which would have been a promotion for him.

SEC officials said yesterday that Mallory has a strong reputation for independence.

Morin, himself an unsuccessful contender for the SEC chairmanship in 1971 with Colson's sponsorship, said yesterday that the memo was "internal office correspondence with my law partners and not for publication."

Morin said that Colson took no action on the memo. "The purpose of the memo was simply to insure that a qualified person got the job as general counsel. Mallory is very qualified. There are matters coming before the commission that are vital to the survival of the securities industry . . . I was asked to suggest someone and I volunteered Mallory's name . . . we don't use pressure, we just recommended the name." Morin declined to say who asked him for the suggestion.

On Monday night when Morin was first contacted about the memo, he denied that he had written several paragraphs, of it, adding, "It doesn't make sense . . . it doesn't sound like me." Yesterday he confirmed writing the entire memo.

In addition to Colson, the Morin memo was addressed to Henry C. Cashen, another partner in the law firm of Colson & Shapiro. Cashen was Colson's assistant in the White House during the first Nixon administration.

A spokesman for the Col-

son firm said yesterday that neither Colson nor Cashen took any action to promote Mallory's appointment despite the note in Colson's handwriting asking Cashen to contact Jones at the White House.

Jones said yesterday that he never discussed Mallory's possible appointment as SEC general counsel with anyone from Colson's law firm. According to Jones, Mallory was considered for the post at the recommendation of SEC chairman Cook.

In the memo, Morin suggests that "pressure from the White House" be solicited for Mallory by contacting perhaps John D. Ehrlichman, then the President's chief domestic adviser; Kenneth Cole, the deputy to Ehrlichman, and Jones.

There was no indication that either Ehrlichman, who resigned April 30, or Cole had been contacted about Mallory.

Cook has only been in the SEC post since March 2. He resigned earlier this month after an indictment in New York charged that former Commerce Secretary Maurice H. Stans "caused" Cook to delete mention in an SEC civil suit of a \$200,000 cash contribution to the Nixon campaign from financier Robert L. Vesco.

Concerning Morin's statement that Cook "may turn into a disaster for us," Cook said: "I consider it a compliment that they (the Colson attorneys) would consider me a disaster. I want a copy of that memo to frame it. I think they thought I was not my own man, maybe they wanted to pack the court."

The memo also says that Cook voiced the same reaction—"Thank you very much"—to the Colson firm's recommendation of Michael Saperstein for the directorship of the market regulation in the SEC. Saperstein also did not get the job.

The memo also makes the following additional reference to Mallory's support: "Anne Armstrong (counselor to the President) is very friendly with his mother, that his mother was co-finance chairman of the Committee to Re-elect and that Jerry Millbank (chief fundraiser for the Republican National Committee) will undoubtedly endorse him."

Colson, the senior partner in Colson & Shapiro, was one of President Nixon's most powerful assistants and played a frequently dominant role in the 1972 presidential campaign.

Colson had added about 10 new lawyers to the firm in expectation of a large volume of legal business in the wake of his departure from the White House. However, reliable legal sources have said that the repeated reference to Colson in connection with the Watergate bugging and campaign "dirty tricks" has hurt business.

Colson has repeatedly denied any involvement in the Watergate bugging.