

# Interview

## An Investment in Your Investments

An Interview with Muriel Siebert, Founder,  
Chairwoman, and President, Muriel Siebert & Co., Inc., New York



Muriel Siebert

**EDITORS' NOTE** After rising to partnership in a leading Wall Street brokerage firm, Muriel Siebert became the first woman member of the New York Stock Exchange in 1967, the year she founded her company. In 1977, she took five years off from her firm to serve as superintendent of New York State's banking department. Siebert has received honorary doctorate degrees from 14 colleges, and has delivered lectures at a number of prestigious institutions, including Harvard Business School and Dartmouth College. Among her numerous memberships and affiliations, Siebert serves on the New York State Business Council and the business committee of the Metropolitan Museum of Art, as well as serving as a trustee of Guild Hall, a commissioner of the Commission for Judicial Nomination, and a director of ARF (Animal Rescue Foundation).

**COMPANY BRIEF** Founded in 1967 and headquartered in New York, Muriel Siebert & Co., Inc., is a retail discount brokerage firm with an active capital markets division that helps bring new and secondary public offerings to market and performs equity executions for institutions of all sizes. Through its Siebert Brandford Shank & Co. LLC affiliate, the company also provides tax-exempt investment banking and financial advisory ser-

vices. Muriel Siebert & Co., Inc. (Nasdaq: SIEB) employs more than 100 people in branches throughout the United States.

### How do you define your brand?

The brand stands for quality, excellent customer service, honesty, and personal care. We focus on maintaining an open avenue of communication with our clients, because we realize that a simple account may not be particularly simple. Some customers are financially savvy, but others need step-by-step support, and we are committed to providing excellent service for each and every customer. Ultimately, we aim to be the company that people recommend to their mothers, sisters, and fathers, and we seem to be succeeding. Every week, 50 to 70 percent of our new accounts are from referrals.

### In a crowded market, how do you differentiate your company?

The business has become extremely competitive. Investing requires an enormous amount of faith, and unfortunately, the recent corporate-governance problems on Wall Street have exacerbated public doubt in financial institutions. People do not trust the system.

One advantage we have is our size. Because we're smaller than many Wall Street firms, we can get trends and act more quickly. We saw investors lose faith in the integrity of the markets because of the recent scandals. This would take six months to filter up to the head of Merrill Lynch or Charles Schwab. We generate an information letter that we send once a month to our customers, along with their statements. It covers various aspects of the new regulations that Congress has passed, and it's designed to restore their faith. I believe that because we are addressing these issues aggressively, clients will recognize that they're doing business with a company that performs professionally and is truly involved.

### What is your view of the working relationship between public- and private-sector leaders in restoring market confidence?

I think Sarbanes-Oxley is a significant step forward. However, I'd like to see it

assessed every year, because when drastic changes are implemented in an industry, it's crucial to monitor growth and direction. You do not want unintended consequences to develop. Furthermore, stocks are now trading in terms of a penny spread. Is this a cause of volatility in the markets? Can we expect a specialist to put up capital to maintain an orderly market if the spread is a penny? There are some serious questions that still need to be answered.

### What changes have you witnessed during your time in the industry?

I have seen many changes, including what is expected of a CEO. One thing I've learned is that the environment is in a constant state of flux, and you have to change with the industry. For example, the role of technology in this market has evolved incredibly over the past 20 years. When I first bought a seat on the New York Stock Exchange, the order clerk would type out an order and it would go down to the floor. The clerk would then roll out the ticket and hand it to the broker, who would walk it to the specialist post, buy the stock, and bring it back to the clerk. Then the clerk would type out the information, send it upstairs, and only then would you call the customer. Now that method has been replaced by simply putting the order screen on, filling it out, and pushing send, and immediately you get the report flashing across the screen.

### Can you get away from a business that demands constant attention?

Oh, I can get away from it. One area to which I devote a considerable amount of time and energy is educating New York City schoolchildren about personal finance. When I was superintendent of banks, I realized that some people were using check cashers because they didn't know how to use a checkbook, and there was an equal level of ignorance about credit cards. It's not stated on the front of your credit-card bill that if you make just the minimum payment you're going to be paying for last night's pizza for 15 to 20 years. I have created a curriculum in personal finance for high school students in New York City public schools. My goal is to take that initiative national. ●