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More broadly , he wants to " modernize " regulation by eliminating barriers between commercial and investment banking and by helping U.S. financial firms compete in the global market .

He believes the tax code encourages the use of debt instead of stock and may fuel leveraged buy-outs , an area the SEC does n't regulate directly but one where it wields influence both on Wall Street and in Congress .

Also unlike Mr. Ruder , Mr. Breeden appears to be in a position to get somewhere with his agenda .

As a former White House aide who worked closely with Congress , he is savvy in the ways of Washington .

What 's more , the coming months likely will offer him the opportunity to obtain his own majority on the five-member commission , enabling him to avoid the dissension that frustrated his predecessor .

But Mr. Breeden , a 39-year-old securities lawyer , has skirted some of the heftier issues facing the financial markets .

He may be waiting to see the results of several pending SEC studies of junk market liquidity and disclosure rules .

Mr. Breeden 's selection will be scrutinized as an important signal about the strength of his commitment to continuing the SEC 's high-profile pursuit of insider trading and market manipulation on Wall Street .

Congress seems likely to let the new chairman have his way for a while .

Members of the Senate Banking Committee know Mr. Breeden from working on the thrift-bailout bill , and the relationship generally remains warm .

Indeed , during Mr. Breeden 's confirmation hearing last month , senators asked him to introduce his children three separate times - more often than they asked about his qualifications for the job .

As a regulator charged with restoring investor confidence , Mr. Breeden avoided making market-jarring comments and worked to gather information critical to Wall Street and to other government agencies .

Not everyone has jumped on the Breeden bandwagon , however .

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Some in Washington contend that it 's too soon to tell whether Mr. Breeden will help or hinder the SEC .

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" I do n't think this was a real test . " says one congressional aide .

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" It was a fairly stressful weekend , but my sense is if you had n't had Richard Breeden there , it would n't have made much of a difference . "

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For some at the SEC , an agency that covets its independence , Mr. Breeden may be too much of a Washington insider .

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They note that he has adorned his office with five photos of George Bush , one of them featuring the First Dog , Millie .

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But Mr. Breeden already has shown an eagerness to run the SEC his way .

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During the Monday market rebound , a New York exchange spokesman told Cable News Network viewers that the industrial average had turned down 70 points .

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It showed the DJIA up 30 points .

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SEC staffers soon determined that a widely watched stock-market service , Quotron , had miscalculated the industrial average .

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Mr. Breeden instructed SEC staffers to inform the network that it was airing the wrong number .

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" It was the plunge that did n't happen , " he says .

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Mr. Breeden also is trying to use a far more catastrophic event -- the California earthquake -- to move another rule change past Congress .

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That disaster closed the Pacific Stock Exchange 's stock options-trading operation , forcing those options to be switched to other exchanges temporarily .

