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CII Welcomes Administration Effort to Close Regulatory Gaps

Washington, D.C., June 17, 2009 — “We welcome the administration’s wide-ranging effort to overhaul and improve the U.S. system of financial market regulation,” said Ann Yerger, executive director of the Council of Institutional Investors. “The Council appreciates the administration’s efforts to close gaps in the framework of regulation. To safeguard investors, the federal regulatory umbrella must cover all aspects of financial services. The financial crisis has amply demonstrated how problems in exotic products and investment firms that cater to sophisticated investors can ripple throughout the markets, causing harm to all investors.”

In particular, the administration’s call for public companies to offer their shareowners non-binding annual votes on executive compensation plans is consistent with Council policies. “Annual ‘say on pay’ votes would make corporate boards more thoughtful about heaping overly rich rewards on CEOs at underperforming companies,” said Yerger.

The Council also lauds the administration’s push for tighter oversight of credit rating agencies. The rating agencies’ failure to sound warnings about the risky structure of thousands of complex mortgage-linked securities helped fuel the financial disaster that federal regulators must now clean up.

The Council will review the administration’s far-reaching plan in detail and looks forward to working with administration officials, Congress and regulators on comprehensive financial reforms.

The Council of Institutional Investors (CII) is a nonprofit association of public, union and corporate pension funds with combined assets that exceed \$3 trillion. Member funds are major long-term shareowners with a duty to protect the retirement assets of millions of American workers. The Council strives to educate its members, policymakers and the public about good corporate governance, shareowner rights and related investment issues, and to advocate on members’ behalf.