



Oct. 15, 2009

The Honorable Richard Shelby
U.S. Senate
Washington, D.C. 20510

Dear Senator Shelby:

I am writing on behalf of the Council of Institutional Investors to let you know that the members of the Council have endorsed the principles and recommendations contained in the report of the Investors' Working Group on financial market regulatory reform (attached). The Council respectfully urges you and other Members to craft financial reform legislation that is consistent with these goals.

The report, "U.S. Financial Regulatory Reform: The Investors' Perspective," is a pragmatic roadmap to restoring trust in U.S. financial markets in ways that safeguard the needs of investors. Among the key proposals it recommends are:

- Strengthening and reinvigorating existing regulatory agencies responsible for policing financial institutions and markets and protecting investors.
- Closing gaps in the regulatory architecture, including creation of a new agency to regulate mortgages and other consumer financial products and comprehensive oversight of OTC derivatives contracts.
- Improving corporate governance of U.S. public companies, including enacting critical reforms such as access to the proxy and majority voting for directors.
- Creating a federal systemic risk oversight board.

The Council and the CFA Institute Centre for Financial Market Integrity established the Investors' Working Group, an independent non-partisan panel of investment and regulatory experts, to ensure that investors' views are heard in the national debate on U.S. financial regulatory reform. The co-chairs are Arthur Levitt Jr. and William H. Donaldson, both former chairmen of the Securities and Exchange Commission.

The Council of Institutional Investors appreciates your leadership on overhauling the U.S. financial regulatory system. If you have any questions or would like the Council to assist you or your staff in any way, please do not hesitate to contact me at anny@cii.org or 202.261.7098.

Sincerely,

Ann Yerger
Executive Director