



Via Facsimile

October 29, 2009

The Honorable Barney Frank
Chairman, House Committee on Financial
Services
United States House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Spencer Bachus
Ranking Member, House Committee on
Financial Services
United States House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Paul E. Kanjorski
Chairman, Subcommittee on Capital
Markets, Insurance, and Government
Sponsored Enterprises
United States House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Scott Garrett
Ranking Member, Subcommittee on
Capital Markets, Insurance, and
Government Sponsored Enterprises
United States House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Frank, Subcommittee Chairman Kanjorski, Ranking Member Bachus and Subcommittee Ranking Member Garrett:

I am writing on behalf of the Council of Institutional Investors (“Council”), a nonprofit association of public, union and corporate pension funds with combined assets that exceed \$3 trillion. Member funds are major shareowners with a duty to protect the retirement assets of millions of American workers.

As a leading voice for long-term, patient capital, the Council wishes to express its support for the following proposed amendment that is expected to be offered this afternoon by Representative Maxine Waters in connection with the Committee on Financial Services’ (“Committee”) mark-up of the “Investor Protection Act of 2009” (“Act”).

Section 14(a) of the Exchange Act is amended –

- (1) by inserting “(1) **SOLICITATION OF PROXIES IN VIOLATION OF RULES AND REGULATIONS**” after “(a)”; and
- (2) by inserting at the end the following:

“(2) **CONFIRMATION OF COMMISSION AUTHORITY ON SHAREHOLDER ACCESS TO ISSUER PROXIES FOR BOARD NOMINATIONS.** The authority of the Commission to prescribe rules and regulations under paragraph (1) includes, without limitation, rules and regulations that require the inclusion and set procedures relating to the inclusion, in a solicitation of a proxy or consent or authorization by or on behalf of an issuer, of a nominee or nominees submitted by one or more shareholders to serve on the issuer’s board of directors.”

October 27, 2009
Page 2 of 2

As background, we note that on July 18, 2009, the Securities and Exchange Commission ("SEC" or "Commission") issued a proposed rule *Facilitating Shareholder Director Nominations* ("Proposed Rule") for public comment. The Council strongly supports the Proposed Rule.

The financial crisis has highlighted the urgent need to amend the proxy rules to better facilitate shareowners' ability to exercise oversight of corporate management through their fundamental right to nominate and elect directors. Representative Waters' proposed amendment is important to the Proposed Rule because it reaffirms the Commission's long recognized authority to promulgate a standard allowing shareowners to place their nominees for director in management's proxy materials.

As indicated, the Council and many other parties believe that the SEC already has the authority to approve a uniform proxy access standard. We, however, acknowledge that others disagree.

Representative Waters' proposed amendment would limit the unnecessary, costly and time-consuming litigation that will likely occur when the Commission issues a final rule approving an access mechanism. To ensure that owners of U.S. companies do not face any needless delays over the prompt implementation of this critical element of financial regulatory reform, the Council respectfully urges your support for Representative Waters' proposed amendment.

We again very much appreciate your consideration of this important amendment to the Act. If you have any questions, please feel free to contact me at (202) 261-7081 or jeff@cii.org, or Council analyst Jonathan Urick at (202) 261-7096 or jonathan@cii.org.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Mahoney".

Jeff Mahoney
General Counsel

CC: The Honorable Maxine Waters