



April 12, 2010

The Honorable Christopher J. Dodd  
Chairman  
Senate Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, DC 20510-6075

Re: Nomination of Luis A. Aguilar to the Securities and Exchange Commission

Dear Chairman Dodd:

I am writing this letter on behalf of the Council of Institutional Investors to offer our enthusiastic support for President Obama's re-nomination of Luis A. Aguilar to serve a full-term as a Commissioner at the U.S. Securities & Exchange Commission (SEC).

The Council, an association of corporate, public and union pension funds collectively holding more than \$3 trillion in pension assets, is a leading advocate for improving corporate governance standards for U.S. companies and strengthening investor rights. Our members are active participants in important regulatory matters. A list of Council members is attached.

Council members are responsible for investing and safeguarding assets used to fund retirement benefits of millions of participants and beneficiaries throughout the U.S. They have a significant commitment to the U.S. capital markets, with the average Council member investing approximately 60 percent of its entire portfolio in U.S. stocks and bonds. They are also long-term, patient investors due to their far investment horizons and their heavy commitment to passive investment strategies. As a result, the integrity of the U.S. capital markets is critical to Council members and their millions of pension system participants and beneficiaries.

Since the Securities and Exchange Commission—the self-professed “investor’s advocate”—is the sole entity charged with protecting investors, maintaining the integrity of the securities markets and overseeing many participants in the securities world, Council members have long been focused on ensuring that the most qualified individuals are selected to serve as Commissioners.

The critical role of the SEC has only been amplified in the wake of the unexpected and extraordinary financial crisis of recent years. Council members collectively lost billions in pension assets from the crisis and the resulting loss of confidence in the U.S. capital markets. Needless to say, they have a deep understanding of how ineffective and outdated rules and regulations coupled with an under-funded SEC can harm investors and destroy the integrity of the capital markets.

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The challenges facing the Commission are daunting. Financial markets and securities products are growing more complex and sophisticated. Scandals persist, continuing to eat away at the confidence in the U.S. markets. Ensuring that the U.S. capital markets continue to be the most competitive and efficient in the world and that investors are adequately protected is an ever-tough but increasingly important balancing act.

The Council believes that any candidate for SEC Commissioner must not only have an understanding and appreciation of the Commission's primary mission of protecting investors but a demonstrated commitment to uphold these values.

We believe Commissioner Aguilar is uniquely qualified to serve another full term as SEC Commissioner. He has significant experience in the securities industry, and his ability to act as a liaison to the investor community has been a significant asset to the SEC. In testament to his capabilities and his value to the SEC, he has also built equally strong relationships with the other major constituencies. He has accomplished this by not only utilizing his deep understanding of the issues important to the markets, the investment community and other constituencies, but also by quickly developing a mastery of the complex issues facing the SEC.

I would be pleased to respond to any questions.

Sincerely,



Ann Yerger  
Executive Director

cc: Miles Lackey