



CalPERS

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April 24, 2008

The Honorable Christopher Cox, Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Dear Chairman Cox:

I am writing to you on behalf of the California Public Employees' Retirement System ("CalPERS"), the largest public pension system in the United States managing over \$245 billion in assets on behalf of nearly 1.5 million members. CalPERS strongly advocates rule changes that would eliminate broker "discretionary" voting entirely, permitting shares held by brokers only to count toward the establishment of a quorum, regardless of the issuer and the matter to be voted upon.

CalPERS believes that allowing brokers to vote uninstructed shares in director elections negatively impacts the integrity of director elections and disenfranchises the true owners of corporations. NYSE Euronext agrees with CalPERS on this point and proposed a rule change to prohibit brokers from voting uninstructed shares in director elections. To date, the SEC under your leadership has yet to neither implement the NYSE Euronext proposed Rule 452 amendment nor seek public comment on the issue.

On April 15, 2008, shareowners of Washington Mutual Inc. spoke loud and clear by withholding what appears to be a majority of the votes cast, excluding uninstructed broker votes, from director James Stever. It will be unfortunate if the Board of Washington Mutual opts to neglect the will of a majority of the voting shareowners as a result of the SEC's inaction to prohibit brokers from voting uninstructed shares.

In closing, we wish to once again respectfully urge the SEC to eliminate broker "discretionary" voting. If you have any questions, please do not hesitate to contact me at (916) 795-2731.

Sincerely,

Dennis A. Johnson, CFA
Senior Portfolio Manager, CalPERS Corporate Governance

cc: Chairman Barney Frank - House Committee on Financial Services
The Honorable Maxine Waters – United States House of Representatives
The Honorable Brad Sherman – United States House of Representatives
The Honorable Joe Baca – United States House of Representatives
The Honorable Gary Miller – United States House of Representatives

**California Public Employees' Retirement System
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The Honorable John Campbell – United States House of Representatives
The Honorable Kevin McCarthy – United States House of Representatives
The Honorable Edward Royce – United States House of Representatives
Fred Buenrostro, Chief Executive Officer, CalPERS
Russell Read, Chief Investment Officer, CalPERS
Eric Baggeson, Interim Senior Investment Officer – Global Equity, CalPERS