

**Issues for Nominees to be a Member of the Securities and Exchange Commission (“SEC” or “Commission”)**

**Corporate Governance and Dodd-Frank Implementation**

It has been well established that a key cause of the financial crisis was a failure in corporate governance. Congress responded, in part, by including in Subtitles E and G of Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) a number of measures designed to improve the governance practices of public companies. However, almost three years since the passage of Dodd-Frank several of those improvements have yet to be implemented by the Commission.

- ? *If confirmed, would you support the Commission promptly completing its rulemaking efforts to implement the remaining corporate governance improvements contained in Dodd-Frank, and if so, do you have any view about what timeline for completion of those rules might be appropriate?*

**Economic Analysis and SEC Rulemaking**

A recent audit by the SEC’s inspector general found that the Commission has strengthened and improved its process for economic analysis in connection with the development of SEC rulemakings. Despite those findings, several Members of Congress have introduced bills that would place additional, in some cases, redundant, requirements for economic analysis on the Commission. In responding to one of those bills, SEC Chairman White recently stated that the legislation “would layer on new statutory requirements for the Commission to satisfy before finalizing any such rules, which could impede . . . investor focused initiative[s] . . .”<sup>1</sup>

- ? *If confirmed, would you actively support efforts to ensure that the Commission’s rulemaking process is not unduly delayed by economic analysis and that such analysis includes consideration of the potential benefits to investors of the rulemaking and the potential costs to investors of failing to timely issue or implement the rulemaking?*

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<sup>1</sup> *White Voices Concerns Over Bills That Seek Changes to Dodd-Frank*, Daily Rep. Executives (BNA) EE-10, 11 (June 21, 2013) (on file with the Council of Institutional Investors).

## **SEC Funding**

In her first testimony before Congress last month, SEC Chairman White expressed support for the President's fiscal year 2014 budget request for the Commission. In her testimony, Chairman White stated that "the current level of resources is not sufficient to permit the SEC to examine regulated entities and enforce compliance with the securities laws in a way that investors deserve and expect."<sup>2</sup>

- ? *If confirmed, would you actively support Chairman White's efforts, now and in the future, for increases in Commission funding that, in her opinion, are needed to "examine regulated entities and enforce compliance with the securities laws in a way that investors deserve and expect?"*

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<sup>2</sup> *Testimony on SEC Budget, Before the Subcomm. on Fin. Servs. & Gen. Gov't of the H. Comm. on Appropriations, 113<sup>th</sup> Cong. 3 (May 7, 2013) (Statement of Chair Mary Jo White, U.S. Securities and Exchange Commission), <http://www.sec.gov/news/testimony/2013/ts050713mjw.htm>.*