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October 1, 2021

Honorable Maxine Waters
Chair, Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Honorable Patrick T. McHenry
Ranking Member, Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Re: Discussion draft of a bill to amend the Securities Exchange Act of 1934 to improve the governance of multi-class stock companies, to require issuers to make annual diversity disclosures, and for other purposes.

Dear Chairwoman Waters and Representative McHenry:

I write as Trustee of the New York State Common Retirement Fund (Fund), the third-largest public pension fund in the United States, which holds and invests the assets of the New York State and Local Retirement System on behalf of its more than one million members, retirees, and beneficiaries. Specifically, I am writing to express my support for addressing the issues raised in a discussion draft of a bill to amend the Securities Exchange Act of 1934 to improve the governance of multi-class stock companies, to require issuers to make annual diversity disclosures, and for other purposes (Draft Bill).

In order to advance U.S. corporate governance best practices, the Draft Bill tasks the SEC to initiate rulemaking in accord with the recommendations of the U.S. Securities and Exchange Commission's (SEC) Office of the Investor Advocate (Office). Those recommendations request Congress to direct the SEC to adopt rules under which the stock exchanges would update listing requirements with minimum standards for the corporate governance structure of issuers whose shares are traded in the public markets.¹

The listing standards recommended by the Office would prohibit, on a prospective basis, the listing of any security of an issuer that (1) has two or more classes of stock with unequal voting

¹ <https://www.sec.gov/advocate/reportspubs/annual-reports/sec-investor-advocate-report-on-activities-2020.pdf>

rights for more than a certain period of years without periodic approval by shareowners or (2) fails to provide adequate disclosure of the diversity of its board of directors and senior executives. In addition to raising these issues, the Draft Bill would also clarify that the SEC has the authority to issue other rules and regulations to require the stock exchanges to improve their listing standards in a manner the SEC determines necessary or appropriate for the protection of investors.

In our view, the issues addressed in the Draft Bill are important to improving investor protection, corporate performance, and the efficiency of the U.S capital markets generally.

Thank you for your consideration of this letter in support of the Draft Bill. If you have any questions or need additional information, please contact Kyle Seeley at 212-383-2461 or kseeley@osc.ny.gov.

Sincerely,



Thomas P. DiNapoli
State Comptroller

cc: Congressmember Carolyn B. Maloney
 Congressmember Gregory W. Meeks
 Congressmember Alexandria Ocasio-Cortez
 Congressmember Ritchie Torres
 Congressmember Nydia M. Velázquez
 Congressmember Lee M. Zeldin