

Via Email

October 12, 2021

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

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

*Re: H.R. \_\_\_\_, To amend the Securities Exchange Act of 1934 to improve the governance of multiclass stock companies, to require issuers to make annual diversity disclosures, and for other purposes.*<sup>1</sup>

Dear Madam Chairwoman and Ranking Member McHenry:

The purpose of this letter is to: (1) reiterate the Council of Institutional Investors' (CII) strong support for the 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);<sup>2</sup> and (2) to highlight some of the recent

---

<sup>1</sup> 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, H.R. \_\_\_\_, 117th Cong. (discussion draft Sept. 24, 2021), <https://financialservices.house.gov/uploadedfiles/bills-117pih-improvinggovernanceatmulti-classstockcompanies.pdf>.

<sup>2</sup> See Letter from Jeffrey P. Mahoney to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives et al. 1 (Oct. 1, 2021) (“The purpose of this letter is to express our strong support for “H.R. \_\_\_\_, 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””), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/October%201,%202021%20letter%20to%20Committee%20on%20Financial%20Services%20\(final\).pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/October%201,%202021%20letter%20to%20Committee%20on%20Financial%20Services%20(final).pdf).

supportive comments of investors<sup>3</sup> and other organizations regarding the Draft Bill.<sup>4</sup> We respectfully request that this letter be included in the public record of your October 5, 2021, Full Committee hearing entitled, “Oversight of the Securities and Exchange Commission: Wall Street’s Cop Is Finally Back on the Beat.”<sup>5</sup>

---

<sup>3</sup> See Letter from Marcie Frost, Chief Executive Officer, California Public Employees’ Retirement System to The Honorable Maxine Waters, Chair, House Committee on Financial Services, U.S. House of Representatives (Oct. 1, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/Letter%20to%20HFSC%20Final.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/Letter%20to%20HFSC%20Final.pdf); Letter from Aisha Mastagni, Portfolio Manager, Sustainable Investment and Stewardship Strategies, California State Teachers’ Retirement System to The Honorable Maxine Waters, Chairwoman Committee on Financial Services, United States House of Representatives (Oct. 5, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/House%20FSC%20CII%20Draft%20Bill%20Comment%20Letter%20on%20Dual-Class%20Shares%20and%20Diversity%20Final.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/House%20FSC%20CII%20Draft%20Bill%20Comment%20Letter%20on%20Dual-Class%20Shares%20and%20Diversity%20Final.pdf); Letter from Joanne Beatty, Director – Engagement, Hermes Equity Ownership Services Limited to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives et al. (Oct. 11, 2021), <https://www.cii.org/Files/Hermes-CII%20governance%20and%20diversity%20disclosure-October%202021-PUBLIC.pdf>; Letter from Jonathan Grabel, Chief Investment Officer, The Los Angeles County Employees Retirement Association to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives (Oct. 4, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/LACERA%20letter%20to%20House%20Financial%20Services%20Committee%20regarding%20CII%20bill%209%204%202021.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/LACERA%20letter%20to%20House%20Financial%20Services%20Committee%20regarding%20CII%20bill%209%204%202021.pdf); Letter from Karen E. Carraher, Executive Director, Ohio Public Employees Retirement System to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services (Oct. 1, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/OPERS%20Letter%20-%20Financial%20Services%20Committee%20-%20Draft%20Bill%20-%2010012021.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/OPERS%20Letter%20-%20Financial%20Services%20Committee%20-%20Draft%20Bill%20-%2010012021.pdf); Letter from Michael Marshall, Head of Sustainable Ownership, Railpen et al. to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives et al. (Oct. 1, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/Railpen%20letter\\_SEC%20Bill%20011021%20\(002\).pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/Railpen%20letter_SEC%20Bill%20011021%20(002).pdf); Letter from Thomas P. DiNapoli, State of New York, Office of the State Comptroller to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives et al. (Oct. 1, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/Letter%20from%20NYS%20Comptroller%20Thomas%20P.%20DiNapoli.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/Letter%20from%20NYS%20Comptroller%20Thomas%20P.%20DiNapoli.pdf).

<sup>4</sup> See Letter from Americans For Financial Reform to Chairwoman Waters, Ranking Member McHenry, and Members of the Committee (Oct. 5, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/10\\_05\\_21-AFR-Support-Letter-to-HFSC-for-Hearing.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/10_05_21-AFR-Support-Letter-to-HFSC-for-Hearing.pdf); Letter from Dylan Bruce, Financial Services Counsel, Consumer Federation of America to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services et al. (Oct. 5, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/CFA-Supports-House-Bills-to-Strengthen-Investor-Protections-Letter-10\\_5\\_21.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/CFA-Supports-House-Bills-to-Strengthen-Investor-Protections-Letter-10_5_21.pdf); Letter from Tyler Gellasch, Executive Director, Healthy Markets Association to The Honorable Maxine Waters, Chairwoman, House Committee on Financial Services et al. 1-2 (Oct. 5, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/HMA%20Letter-to-HFSC-re-Markup-10-5-2021-1.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/HMA%20Letter-to-HFSC-re-Markup-10-5-2021-1.pdf); Letter from Melanie Senter Lubin, NASAA President, Maryland Securities Commissioner 4-5 (Oct. 4, 2021), [https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2021/NASAA-Letter-to-HFSC-Re-10\\_5\\_21-Hearing-FINAL.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2021/NASAA-Letter-to-HFSC-Re-10_5_21-Hearing-FINAL.pdf); Letter from Public Citizen to Chair Maxine Waters, Honorable Members of the Committee, U.S. House of Representatives Financial Services Committee 1-2 (Oct. 5, 2021), <https://www.cii.org/Files/Public%20Citizen%20comment%20on%20HFS%20bills%20Oct%205%20%202021.pdf>.

<sup>5</sup> Oversight of the Securities and Exchange Commission: Wall Street’s Cop Is Finally Back on the Beat:

CII is a nonprofit, nonpartisan association of United States (U.S.) public, corporate and union employee benefit funds, other employee benefit plans, state and local entities charged with investing public assets, and foundations and endowments with combined assets under management of approximately \$4 trillion. Our member funds include major long-term shareowners with a duty to protect the retirement savings of millions of workers and their families, including public pension funds with more than 15 million participants – true “Main Street” investors through their pension funds. Our associate members include non-U.S. asset owners with about \$4 trillion in assets, and a range of asset managers with more than \$40 trillion in assets under management.<sup>6</sup>

As the leading voice for corporate governance, CII believes the Draft Bill is consistent with U.S. corporate governance principles<sup>7</sup> and reflects the sound, near-term, legislative policy recommendations of the U.S. Securities and Exchange Commission’s (SEC) Office of the Investor Advocate.<sup>8</sup> Those recommendations include establishing minimum listing standards for the stock exchanges in two important areas of corporate governance: (1) multiple classes of stock with unequal voting rights,<sup>9</sup> and (2) board diversity.<sup>10</sup> The Draft Bill also importantly reallocates the division of authority between the SEC and the exchanges for adopting future corporate governance listing standards in light of the exchanges’ “inherent conflict of interest” resulting from their for-profit status.<sup>11</sup>

The following includes some recent supportive comments of investors and other organizations regarding the Draft Bill for the Committee’s consideration:

## Investors

---

Hearing Before H. Comm. Fin. Serv., 117th Cong. (Oct. 5, 2021), <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=408475>.

<sup>6</sup> For more information about the Council of Institutional Investors (“CII”), including its board and members, please visit CII’s website at <http://www.cii.org>.

<sup>7</sup> See Council of Institutional Investors, Corporate Governance Policies § 3.3 Voting Rights (updated Sept. 22, 2021), [https://www.cii.org/files/09\\_22\\_21\\_corp\\_gov\\_policies.pdf](https://www.cii.org/files/09_22_21_corp_gov_policies.pdf) (“Each share of common stock should have one vote [and] [c]orporations should not have classes of common stock with disparate voting rights”); § 2.8b Board Diversity (“The Council supports a diverse board [and] [t]he Council believes a diverse board has benefits that can enhance corporate financial performance, particularly in today’s global market place. Nominating committee charters, or equivalent, ought to reflect that boards should be diverse, including such considerations as background, experience, age, race, gender, ethnicity, and culture.”); Council of Institutional Investors, CII Policies, Investor Expectations for Newly Listed Companies, [https://www.cii.org/ipo\\_policy](https://www.cii.org/ipo_policy) (“Upon going public, a company should have a “one share, one vote” structure . . . [and] CII expects newly public companies without such provisions to commit to their adoption over a reasonably limited period through sunset mechanisms.”).

<sup>8</sup> U.S. Securities and Exchange Commission, Office of the Investor Advocate, Report of Activities, Fiscal Year 2020 at 2, 10-11 (filed Dec. 29, 2020), <https://www.sec.gov/advocate/reportspubs/annual-reports/sec-investor-advocate-report-on-activities-2020.pdf>.

<sup>9</sup> *Id.* at 10 (“If a company chooses to issue multiple classes of stock with differing voting rights, then the dual-class stock must contain a ‘sunset’ provision.”).

<sup>10</sup> *Id.* at 11 (“To make fully informed investment decisions, investors generally would benefit from greater insight into the diversity characteristics of a company’s current board, as well as its policies designed to promote diversity in board composition going forward.”).

<sup>11</sup> *Id.* at 10 (“The primary listing exchanges are now for-profit entities that, unlike their prior mutual ownership structure, have an inherent conflict of interest between protecting investors and generating business revenue from listed issuer fees”).

## California Public Employees' Retirement System

We applaud the policy recommendations reflected in the Draft Bill because they are consistent with our Governance and Sustainability Principles (Principles). Specifically, we support this measure because it would (1) empower shareowners of multi-class stock companies; (2) require adequate disclosures of issuers' board and workforce diversity; and (3) facilitate better rules to promote investor protection.

CalPERS is the largest public defined benefit pension fund in the United States, managing approximately \$480 billion in global assets. We work constantly to improve our ability to identify both investment risks and opportunities in support of our mandate to provide retirement benefits for our 2 million members. Accordingly, we seek long-term, sustainable, risk-adjusted returns through efficient capital allocation and stewardship aligned with our fiduciary duty. Policies like the Draft Bill are important to helping institutional investors like CalPERS execute their investment strategies.

Item A.1 of our Principles emphasizes shareowner rights and the importance of corporations adopting one-share/one-vote policies because a "shareowner's right is irrevocable and cannot be reduced. All investors must be treated equitably and upon the principle of one-share/one-vote." In accordance with this deeply-held belief, we have advocated against no vote shares and dual class voting arrangements that grossly weaken shareowner power. The Draft Bill is consistent with these principles as it would prohibit the listing of any security of an issuer that has two or more classes of stock with unequal voting rights for more than seven years without periodic approval by shareowners. This proposal is essential to remedying a basic deficiency in the regulatory system that allows for dual class voting arrangements that dilute shareowners' power.

. . . Our Principles emphasize that we seek fair, accurate, timely, and assured financial reporting about how companies manage financial, physical, and human capital to generate sustainable returns, and how they identify, monitor, and mitigate risks to those three forms of capital. On multiple occasions, we have urged Congress to expand board diversity disclosures when writing in support of the "Improving Corporate Governance Through Diversity Act" (H.R. 1277 and H.R. 1187 in the 117<sup>th</sup> Congress). The listing standards included in the Draft Bill would prohibit the listing of any security of an issuer that fails to provide adequate disclosure of the diversity of its board of directors and senior executives as well.<sup>12</sup>

---

<sup>12</sup> Letter from Marcie Frost, Chief Executive Officer, California Public Employees' Retirement System to The Honorable Maxine Waters, Chair, House Committee on Financial Services, U.S. House of Representatives (footnotes omitted).

California State Teachers' Retirement System

CalSTRS strongly supports the Draft Bill, which would amend the Securities Exchange Act of 1934 to improve the governance of multi-class stock companies, to require issues to make annual diversity disclosures, and for other purposes.

Established in 1913, CalSTRS is the largest educator-only pension fund in the world with a global investment portfolio valued at approximately \$318 billion as of August 31, 2021. As administrators of both a defined benefit plan and a defined contribution plan, our mission is to secure the financial future and sustain the trust of more than 975,000 Californian educators. The long-term nature of CalSTRS liabilities and our responsibility as a fiduciary to our members, make the fund keenly interested in the rules and regulations that affect shareholders.

....

We recommend [as proposed in the Draft Bill] a simple, effective sunset mechanism on common stock structures with unequal voting rights, so that markets do not suffer long-term damage from perpetual or long-lasting multi-class stock structures. We believe that time-based “sunsets” are the way forward, requiring multi-class structures with unequal voting rights to collapse to one-share, one-vote within a reasonable and specified period after the initial public offering (IPO). A sunset of no more than seven years offers an appropriate period to harness whatever benefits of innovation and control a multi-class structure may provide while mitigating the agency costs it incurs over time. In recognition both of evolving market practice and academic research suggesting that multi-class structures become problematic five to nine years after the IPO, we request . . . a sunset of seven years or less.

....

We believe the board has a fiduciary duty to represent and protect the best interest of shareholders. Enhanced disclosure of board diversity [as proposed in the Draft Bill] provides investors with an additional metric with which to consider when electing directors.<sup>13</sup>

Hermes Equity Ownership Services Limited

EOS at Federated Hermes is a leading stewardship service provider advising on \$1.75tn assets. Our engagement activities enable long-term institutional investors to be more active owners of their assets, through dialogue with companies on environmental, social and governance issues. We believe this is essential to build a global financial system that delivers improved long-term returns for investors, as well as better, more sustainable outcomes for society.

---

<sup>13</sup> Letter from Aeisha Mastagni, Portfolio Manager, Sustainable Investment and Stewardship Strategies, California State Teachers' Retirement System to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives (footnote omitted).

....

The Draft Bill is consistent with U.S. corporate governance principles and reflects the sound legislative policy 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 enact improvements to listing requirements providing minimum threshold standards for the corporate governance structure of issuers that want their shares trading in the public markets.

....

In our view, the provisions of the Draft Bill will have a positive impact on investor protection, corporate performance, and the efficiency of the U.S capital markets generally.<sup>14</sup>

#### Los Angeles County Employees Retirement Association

The Los Angeles County Employees Retirement Association (LACERA) is the largest county pension system in the United States, with approximately \$73 billion in plan assets as of September 30, 2021, including equity holdings in about 2,400 U.S. companies. LACERA's mission is "to produce, protect, and provide the promised benefits" for over 170,000 beneficiaries who serve the most populous county in the nation. We encourage public policies governing financial markets that promote sustainable value to enhance our ability to fulfill our mission.

. . . LACERA believes that investors should have voting rights proportionate to their economic interests. Multiclass ownership structures may entrench certain investors and management, insulating them from acting in the interests of all investors. LACERA supports the Draft Bill's provisions to prohibit, on a prospective basis, the listing of any security of an issuer that has two or more classes of stock with unequal voting rights for more than a certain period of years without periodic approval by shareowners. We consider this "sunset" requirement to be a reasonable step towards promoting the principle of "one share, one vote."

. . . A diverse and inclusive board is better positioned to effectively deliberate and oversee business strategy in investors' interests. We therefore support the Draft Bill's provisions to encourage adequate disclosure of the diversity of listed companies' board of directors and senior executives on a self-identified basis.<sup>15</sup>

---

<sup>14</sup> Letter from Joanne Beatty, Director – Engagement, Hermes Equity Ownership Services Limited to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives et al. (footnote omitted).

<sup>15</sup> Letter from Jonathan Grabel, Chief Investment Officer, The Los Angeles County Employees Retirement Association to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives.

### Ohio Public Employees Retirement System

OPERS is the largest public retirement system in Ohio, with approximately \$113 billion in assets under management and more than 1.1 million active, inactive, and retired members. Our members depend on us to provide them with retirement security, and for many of them, OPERS represents the only retirement income they will ever receive. As a result, we make every effort to maximize the value of our investments, including regularly engaging with portfolio companies on a number of issues affecting shareholder value.

....

The Investor Advocate has recognized that dual-class capital structures can make sense for a limited time as a company's founders establish their direction for the company and begin implementing their vision for the future, but he has also acknowledged that this unchecked managerial discretion cannot – and indeed, should not – continue forever. The Draft Bill provides a reasonable initial period of seven years during which management may pursue their goals, but then provides shareholders with the discretion regarding whether that period should be extended. OPERS believes this strikes an appropriate balance between corporate and shareholder interests and creates opportunities for constructive engagement. As such, OPERS strongly supports this commonsense reform.

Regarding the Draft Bill's diversity disclosure requirements, companies already provide substantially similar data to the Equal Employment Opportunity Commission and therefore should not incur substantial additional cost in meeting these requirements. Additionally, many observers have concluded that incorporating diverse views and perspectives into corporate decision making can improve corporate performance and increase long-term shareholder value, both of which are in line with OPERS' goals as a conscientious and engaged shareholder.<sup>16</sup>

### Railpen

Railpen manages around \$50 billion on behalf of the 350,000 members of the UK railways pension schemes. We are one of the largest UK pension schemes, but are writing to you in our capacity as a global investor with significant holdings in several U.S. firms.

....

In our view, the provisions of the Draft Bill will have a positive impact on investor protection, corporate performance, and the efficiency of the U.S capital markets generally. There is a growing body of evidence to show that companies with i) voting structures that allow for long-term, responsible investors to effectively

---

<sup>16</sup> Letter from Karen E. Carraher, Executive Director, Ohio Public Employees Retirement System to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services.

scrutinize and hold companies to account and ii) boards which have an inclusive culture and consist of diverse individuals, are more likely to achieve sustainable financial performance.<sup>17</sup>

### State of New York, Office of the State Comptroller

I write as Trustee of the State of New York Retirement Fund (Fund), the third largest public pension plan 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 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 our view, the issues addressed by the Draft Bill are important to improving investor protection, corporate performance, and the efficiency of the capital markets generally.<sup>18</sup>

### **Other Organizations**

#### Americans for Financial Reform

AFR supports the Discussion Draft requiring that newly listed companies utilizing the multi-class stock structures be subject to a sunset provision of such a structure seven years from the issuer's initial public offering date.<sup>19</sup>

#### Consumer Federation of America

The Discussion Draft would require that newly listed companies that utilize multi-class stock structures agree to a so-called "sunset" provision that would require the dissolution of such share structure not less than seven years from the date of the issuer's initial public offering. The bill would also establish minimum listing standards for exchanges that choose to list the securities of such issuers. Both reforms are sensible and overdue policy responses to a problem that has been allowed to fester for too long.

CFA is pleased to support the legislation.<sup>20</sup>

---

<sup>17</sup> Letter from Michael Marshall, Head of Sustainable Ownership, Railpen et al. to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives et al.

<sup>18</sup> Letter from Thomas P. DiNapoli, State of New York, Office of the State Comptroller to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services, United States House of Representatives et al.

<sup>19</sup> Letter from Americans for Financial Reform to Chairwoman Waters, Ranking Member McHenry, and Members of the Committee.

<sup>20</sup> Letter from Dylan Bruce, Financial Services Counsel, Consumer Federation of America to The Honorable Maxine Waters, Chairwoman, Committee on Financial Services et al.



Healthy Markets Association

The Discussion Draft would establish minimum listing standards for National Securities Exchanges listing publicly held companies with multiple classes of stock with unequal voting rights, including that newly listed companies that utilized multi-class stock structures agree to end such share structure not less than seven years from the date of the issuer's initial public offering.

HMA shares Congress's concern regarding the proliferation of dual and multi-class share structures, which tend to reduce executive and early funders' accountability to public investors, skew corporate incentives in unpredictable and counterproductive ways, and may ultimately lead to lower investment returns. Limiting dual class share structures is the right thing to do for investors, and the markets overall.<sup>21</sup>

North American Securities Administrators Association, Inc.

NASAA applauds this Committee for advancing ideas to better regulate multi-class stock companies, national securities exchanges, and national securities associations. Regarding the multi-class stock provisions in this discussion draft dated September 24, 2021, NASAA believes the legislative text is an excellent first step for ending a market practice that is antithetical to the spirit of democratic accountability that exists throughout our capital markets. In regard to the diversity disclosure requirements, NASAA has supported similar requirements set forth in other legislation and repeatedly called for Congress to examine the current state of corporate board composition with an eye toward encouraging greater diversity. In turn, we are generally supportive of the diversity provisions in this discussion draft. Last, while NASAA supports the spirit of the provision that would grant the SEC rulemaking authority with respect to national exchanges and securities associations, we take no position at this time on whether the SEC in fact needs such authority. We look forward to further discussion on this topic.<sup>22</sup>

Public Citizen

We support the untitled discussion draft that amends the Securities Exchange Act of 1934 for a number of purposes, including improvement of governance of multi-class stock companies and a requirement that issuers make annual diversity disclosures. This draft would also require newly listed companies that use multi-class stocks to eliminate this structure within seven years and establish a

---

<sup>21</sup> Letter from Tyler Gallach, Executive Director, Healthy Markets Association to The Honorable Maxine Waters, Chairwoman, House Committee on Financial Services et al. at 2 (footnotes omitted).

<sup>22</sup> Letter from Melanie Senter Lubin, NASAA President, Maryland Securities Commissioner at 5 (footnotes omitted).

conventional “one share, one vote” standard. (Multi-class stocks allow minority shareholders with special shares to control company governance.)<sup>23</sup>

\*\*\*\*\*

We are hopeful that this letter is helpful to you and the Committee in its consideration of the Draft Bill. We would welcome the opportunity discuss the Draft Bill with you or your staff at your convenience.

Sincerely,

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

Jeffrey P. Mahoney  
General Counsel

---

<sup>23</sup> Letter from Public Citizen to Chair Maxine Waters, Honorable Members of the Committee, U.S. House of Representatives Financial Services Committee at 1-2.