

November 2, 2009

The Honorable Barney Frank
Chairman, House Committee on
Financial Services
United States House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Spencer Bachus
Ranking Member, House Committee on
Financial Services
United States House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Paul E. Kanjorski
Chairman, Subcommittee on Capital
Markets, Insurance, and Government
Sponsored Enterprises
United States House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Scott Garrett
Ranking Member, Subcommittee on
Capital Markets, Insurance, and
Government Sponsored Enterprises
United States House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Frank, Subcommittee Chairman Kanjorski, Ranking Member Bachus,
and Subcommittee Ranking Member Garrett:

I am writing to you on behalf of CFA Institute, a nonprofit professional association representing 100,000 investment professionals worldwide. As an organization that has worked for nearly 50 years toward a more educated and ethical profession, we would like to express our support for the amendment to the Investor Protection Act (the "Act") submitted by Rep. Maxine Waters and Rep. Gary Peters last week, referred to as "Sec. 221. SEC Authority to Issue Rules on Proxy Access" (the "Amendment").

As an organization representing investor interests, CFA Institute has long advocated for greater shareowner access to company proxy statements. It is our view that investors who have invested capital in public companies should have an opportunity, under certain circumstances, to have their nominees for board director positions included as part of public companies' annual proxy statements. We believe proxy access will benefit shareowners and companies a) by giving shareowners a mechanism for holding board members directly accountable for their decisions; b) by promoting independence of director nominees; and c) by preventing unneeded and costly challenges to SEC rules.

First, we believe that shareowner nominations will make board members more accountable for their decisions regarding corporate and compensation strategies. As professionals promoting investor interests, we believe board members have a duty to

act on behalf of investors' best interests. If shareowners do not believe that their directors are doing so, they should have the ability to nominate individuals who they believe will serve those interests. To do this, however, shareowners, such as those who have owned two to three percent of a company's shares for at least a year, should be permitted to have their nominations included in the company proxy statement.

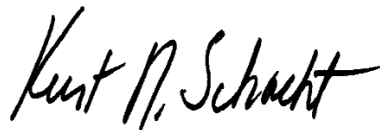
Second, permitting shareowners the opportunity to vote on a full slate of director nominees, including those of shareowners, promotes the independence of the board. This will help ensure that company boards do not function under the control of management or of a group of influential insiders whose interests do not support those of the majority of shareowners. Proxy access will help get shareowners' views before the board.

We have expressed these views in writing to the Securities and Exchange Commission on two different occasions over the past six years. In our most recent letter in September, we expressed support for the Commission's proposals to give large shareowners with long-term interests access to company proxy statements to submit board nominations. We stated that, "As the capital providers in these companies, shareowners should have an opportunity to nominate individuals who they believe will serve their interests."

We believe that the Amendment also will provide certainty to the proxy process, both for issuers and for investors. Specifically, provisions giving the Commission authority to "prescribe rules and regulations" requiring inclusion of shareowner nominees in company proxy statements will prevent future legal challenges that might result from SEC proposals. This, we believe would have the effect of significant cost savings for companies, investors, and nominees.

We greatly appreciate your consideration of the Amendment to the Act as a means of bolstering director accountability and independence, and of reducing long-term litigation costs. If you have any questions, please feel free to contact Kurt Schacht, CFA, at (212)756-7728, or James Allen, CFA, at (434)951-5558.

Sincerely,



/s/ Kurt Schacht

Kurt Schacht, CFA
Managing Director
CFA Institute Centre for Financial
Market Integrity



/s/ James C. Allen

James C. Allen, CFA
Head, Capital Markets
CFA Institute Centre for Financial
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