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PUBLIC PENSION FUNDS URGE SECURITIES & EXCHANGE COMMISSION TO HEED THE CALL OF INVESTORS SEEKING ACCESS TO PROXY FOR ELECTING DIRECTORS

Harris Poll Results Show 84% of Investors Want To Nominate Directors

WASHINGTON, DC -- A group of leading institutional investors today urged the U.S. Securities and Exchange Commission (SEC) to heed the call of American investors for greater access to the proxy to elect directors. A new set of rules will help prevent future financial scandals, they said.

Leaders of five large public pension funds spoke out following the release of a public opinion poll conducted for the American Federation of State, County and Municipal Employees (AFSCME) AFL-CIO. A Harris poll of 1,030 individual investors found that 84 percent want the right, in certain circumstance, to have access to the company proxy to nominate and elect directors.

"The problems of Enron, Worldcom and even the problems at the New York Stock Exchange show we still have a huge way to go to restore investor confidence in this country," said California Public Employees' Retirement System President Sean Harrigan, speaking at AFSCME headquarters where the results were released today.

"The fact that the SEC is pursuing a rulemaking is a good first step. The right set of rules, which give investors an opportunity to nominate and elect more accountable directors could become the crown jewel of corporate reform."

"Too many board members at too many companies have failed to adequately fulfill their responsibilities and have not been acting in the best interests of shareholders. When this happens, shareholders need a process that allows them to replace those board members and install qualified replacements. Access to the company's proxy ballot is the best mechanism to achieve this goal," said Denise Nappier, Connecticut State Treasurer and principal fiduciary of the Connecticut Retirement Plans and Trust Funds.

More...

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"The SEC needs to create an effective rule to open up the nominating process that currently silences shareholder voices and allows corporations to hand pick all directors. Now is the time to get corporate elections out of the back room and onto the proxy ballots where they belong," said Gerald W. McEntee, AFSCME President.

New York State Comptroller Alan G. Hevesi, sole trustee of the \$106 billion New York State Common Retirement Fund said, "It is encouraging that the SEC has placed the issue of proxy access on its agenda. However, the devil is in the details. The ability of major investors to select board nominees has to be established in a clear and direct way without damaging barriers and impediments. We urge the SEC to respond to the tens of millions of investors and retirees who we represent by passing an effective proxy access rule."

"Shareholder access to proxy statements is an important incentive for improving director performance and accountability to the shareholders who elect them," said New York City Comptroller William C. Thompson, Jr. "Proxy access must be established as a fundamental shareholder right."

"We want to acknowledge the SEC Chairman for agreeing to embark on this rulemaking process, and hope that the commission and commission staff will craft a rule or set of rules that give investors a true voice in electing candidates," said Jack Ehnes, Chief Executive Officer of the California State Teachers' Retirement System.

For more information on open access to the proxy go to www.calpers-governance.org.

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