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DENISE L. NAPPIER**

NEWS

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Eleven Public Investment Officials from Across the Country Call for SEC Rule Granting Shareholders the Right to Nominate Corporate Directors

*Call Comes as Investors Begin to Pursue Proxy Ballot Access
"Company by Company" in Absence of SEC Action*

Eleven public investment officials today renewed their call for the U.S. Securities and Exchange Commission (SEC) to grant shareholders the right to nominate candidates for corporate boards of directors. The group's call comes over one year after they originally asked SEC Chairman William H. Donaldson to lift barriers to proxy access and 15 months after the SEC first proposed a rule giving shareholders basic voting rights.

The eleven officials are: Phil Angelides, California State Treasurer; Rob Feckner, Acting President, California Public Employees' Retirement System, Randall Edwards, Oregon State Treasurer; Michael Fitzgerald, Iowa State Treasurer; Alan Hevesi, New York State Comptroller; Brian Krolicki, Nevada State Treasurer; Richard Moore, North Carolina State Treasurer; Denise Nappier, Connecticut State Treasurer; George Philip, Executive Director, New York State Teachers' Retirement System; Jeb Spaulding, Vermont State Treasurer; and William C. Thompson, New York City Comptroller.

In the letter sent to SEC Chairman William Donaldson, the group of investment officials called on the SEC to "level the playing field" for shareholders by "strengthening their rights to fairly participate in corporate elections." The group said that in the absence of rules guaranteeing shareholder proxy access, "shareholders – the true owners of these companies – are effectively locked out of the decision-making process and are unable to hold incumbent directors and company management accountable for the very decisions that affect their pocketbooks and company value."

The renewed call for proxy access comes in the wake of several significant events highlighting the need for the SEC to give shareholders basic voting rights:

- In the aftermath of revelations of alleged corporate wrongdoing at AIG, the American Federation of State, County, and Municipal Employees (AFSCME) recently filed a resolution to give AIG shareholders the right to nominate directors for consideration on the company's proxy ballot.

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- After initially granting shareholders at the Walt Disney Corporation the right to vote on a shareholder resolution filed by AFSCME, the California Public Employees' Retirement System, the Illinois State Board of Investment and the New York State Common Retirement Fund that would have allowed shareholders to nominate candidates for the board of directors, the SEC staff reversed its decision.
- Recent reports have detailed efforts by corporate interests to pressure the SEC to back away from actions that benefit shareholders. According to press accounts, groups including the Business Roundtable and the U.S. Chamber of Commerce are lobbying the Bush Administration to lighten up on enforcement and regulation, just three years after corporate scandals rocked Enron, World Com, and countless other companies, and cost investors trillions.

“The election of directors is one of the most powerful ways that shareholders can influence the strategic direction of a company,” said Treasurer Nappier, principal fiduciary of the \$20 billion Connecticut Retirement Plans and Trust Funds. “We have seen too many board members at too many companies that have failed to adequately fulfill their responsibilities and have not been acting in the best interests of shareholders. Access to the company’s proxy ballot is the best mechanism to change that.”

“The shareholder resolution filed in response to recent scandals at AIG should serve as a wake-up call to the SEC. It is time for the SEC – which exists to protect investors and ensure a fair marketplace – to put in place a rule that finally gives shareholders the power to determine the direction of the companies they own by giving them fair access to corporate elections,” said Treasurer Angelides. “Until shareholders are given the right to nominate directors, we will continue to demand the right, one company at a time.”

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