

The Honorable Paul S. Sarbanes
United States Senate
309 Hart Building
Washington, DC 20510

Re: Proposed Pay-to-Play Rule

Dear Senator Sarbanes:

I am writing to you out of concern for millions of America's public servants whose retirement funds are administered by local and state public pension officials.

Many of these officials are elected or appointed by politicians who are elected. These officials and politicians routinely accept campaign contributions from firms and employees of firms that seek contacts to manage public pension fund assets.

As the Securities and Exchange Commission has found, managers seeking to do business with public pension funds are increasingly being expected to make campaign contributions as a condition of their being considered to manage fund assets.

Public pension officials and politicians who allow political contributions to play a role in the selection of firms to manage pension assets violate the public trust and their fiduciary duty to the public. Similarly, advisers who make contributions to influence the award of management contracts violate their fiduciary duty to the pension funds and their beneficiaries.

The pervasiveness of pay-to-play practices in America demands prompt, effective action by the SEC. Pay-to-play undermines the integrity of the manager selection process, and may result in the selection of incompetent managers who cause investment losses or charge higher fees.

I strongly encourage you to support the SEC's proposal to ban pay-to-play practices. I also wish to emphasize my belief that only the prophylactic ban proposed by the Commission can effectively combat pay-to-play, as a rule that depends on proof of a contributor's illegal intent would be impossible to enforce.

Thank you for your consideration of my views.

Sincerely,