



NASAA

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April 18, 2007

The Honorable Barney Frank  
Chairman  
Financial Services Committee  
2129 Rayburn HOB  
Washington, DC 20515

RE: The Shareholder Vote on Executive Compensation Act

Dear Chairman Frank:

On behalf of the North American Securities Administrators Association (NASAA),<sup>1</sup> I am writing to support passage of H.R. 1257, the Shareholder Vote on Executive Compensation Act.

Although state securities regulators do not have direct authority over corporate governance laws, we are responsible for efficient regulation, enforcement, and grass-roots investor protection, and we share your commitment to investors on issues associated with executive pay.

NASAA believes that this legislation builds upon the executive compensation rules adopted by the Securities and Exchange Commission last year, which were designed to provide investors with clear disclosure they can compare to companies of like size. We support the SEC's rules and the approach of H.R. 1257, which would further provide shareholders with a non-binding advisory vote on executive compensation. This provision facilitates the transparency that is universally desired while allowing shareholders to be heard on this important issue.

By allowing shareholders to "go on the record" with a non-binding advisory vote, the Shareholder Vote on Executive Compensation Act is a balanced approach which will give shareholders a meaningful voice on executive compensation, and we support its passage.

Sincerely,

Joseph P. Borg  
Director, Alabama Securities Commission  
NASAA President

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<sup>1</sup>The oldest international organization devoted to investor protection, the North American Securities Administrators Association, Inc., was organized in 1919. Its membership consists of the securities administrators in the 50 states, the District of Columbia, the U.S. Virgin Islands, Canada, Mexico and Puerto Rico. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.