

May 1, 2012

The Honorable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: File No. 4-637, Petition to Require Public Companies to Disclose to Shareholders the Use of Corporate Resources for Political Activities

Dear Chairman Schapiro:

We are writing today representing the undersigned foundations to voice our strong support for the petition before the Securities & Exchange Commission supporting a rulemaking requiring corporate political spending transparency. Our foundations invest substantial funds in the market. As investors we believe there is a clear and obvious necessity to require public and accessible information regarding political spending from corporations. We are deeply concerned about how our political system is being negatively impacted by huge inflows of company funds post *Citizens United*. We are also concerned about the impact on companies in which we invest if they are involved in questionable or controversial political expenditures.

The rulemaking petition was submitted on August 3, 2011 by the Committee on Disclosure of Corporate Political Spending, a group of prominent law professors specializing in the areas of corporate and securities law. The petition reflects our desire to see the SEC create a Rule requiring such disclosure.

Currently, 88 major companies already publicly disclose their political spending policies and their direct political payments, including more than half of the S&P 100. These companies include Microsoft, Wells Fargo, Merck and Aetna. Additionally major pension funds such as Calpers and CalSTRS recently adopted policies supporting of this type of disclosure.¹

These are important precedents, but we need this type of disclosure across the board, and so we urge the Securities and Exchange Commission (SEC) to promulgate rules requiring public disclosure of corporate spending in elections. Such disclosure should include spending on independent expenditures, electioneering communications, and donations to outside groups for political purposes, i.e. super-PACs and trade associations that play such an important role in politics.

As you know, the *Citizens United* decision changed the face of electoral campaign finance by authorizing, for the first time, unlimited political spending by corporations, which the Supreme Court understands to fall under the definition of "person." While the FEC undoubtedly has jurisdiction over election matters, the SEC has the authority to promulgate rules regarding the procedures through which corporations spend corporate funds (shareholders' money) for political purposes, as well as disclosure of that spending as material information to shareholders

We urge the SEC to take up this rulemaking and also to take the first step by holding roundtable discussions to consult with experts on the topic of corporate political spending disclosure. The *Citizens United* decision has already heavily impacted the 2012 election cycle through the preponderance of so-called super-PACs, many of which do not disclose funding. While corporate political spending is playing

an important role in the electoral process role, the American public, and particularly the shareholders of such corporations, currently have no way to know how their corporate funds are being spent. .

We urge you to take steps to ensure proper public disclosure of corporate political spending.

Sincerely,

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¹ Calpers Political Spending Policies: <http://www.calpers.ca.gov/eip-docs/about/board-cal-agenda/agendas/invest/201111/item03b.pdf>