

May 27<sup>th</sup>, 2015

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Chair Mary Jo White:

We the undersigned, all former Commissioners and Chairs of the Securities and Exchange Commission (SEC), write in support of petition 4-637 (“to Require Public Companies to Disclose to Shareholders the Use of Corporate Resources for Political Activities”).

Petition 4-637 was submitted on August 3, 2011 by a committee of distinguished and nationally recognized law professors specializing in securities law and practice. They sought mandatory disclosure by public companies of corporate political spending, an issue of paramount public interest and growing concern to investors.

The petition has received a record-breaking [1.2 million supportive comments](#), illustrating the wide-spread importance of and need for action by the Commission to compel disclosure of political activities.

Despite the Supreme Court’s decision in Citizens United in 2010, allowing corporations greater freedom to spend shareholder money to influence politics, there have still been no new rules or procedures established to ensure that shareholders – those who actually own the wealth of corporations – are informed of decisions on spending their money on politics.

This lack of regulation is in direct conflict with one of the essential building blocks supporting the opinion in the case. It’s author, Mr. Justice Anthony Kennedy, justified permitting corporate political activities in large part on the expectation that shareholders and citizens would be informed of what those activities entailed. Thus, writing for the Court, he said:

“A campaign finance system that pairs corporate independent expenditures with effective disclosure has not existed before today. With the advent of the Internet, prompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions.... Shareholders can determine whether their corporation’s political speech advances the corporation’s interest in making profits, and citizens can see whether elected officials are in the pocket of so-called moneyed interests.”

To date, the Court’s expectation of disclosure, which can only be assured by SEC rule, has been denied. It is now five years since Citizens United and almost four years since Petition 4-637 was filed. The Commission’s inaction is inexplicable. Its failure to act offends not only us, who are alumni of this agency struggling to retain our deep pride of association, but investors and the professionals who serve them. And it flies in the face of the primary mission of the Commission, which has since 1934 been the protection of investors. To use a metaphor, mandatory disclosure of corporate political activities should be a “slam dunk” for the Commission.

Sincerely,

William Henry Donaldson, 27th Chairman of the U.S. Securities and Exchange Commission, serving from February 2003 to June 2005 (R)

Arthur Levitt, 25<sup>th</sup> Chairman of the U.S. Securities and Exchange Commission, serving from 1993-2001 (D)

Bevis Longstreth, 60th Commissioner of the Securities and Exchange Commission, serving from 1981 to 1984 (D)