

McElveen, Josephine

ES/41878

From: Nagesh, Ammani
Sent: Wednesday, May 30, 2012 3:57 PM
To: CHAIRMANOFFICE
Cc: Schapiro, Mary L.
Subject: Fw: Glass Lewis
Attachments: 2012 5.30 Glass Lewis letter release.pdf

From: Johnson, Stephanie [<mailto:sjohnson@USChamber.com>]
Sent: Wednesday, May 30, 2012 03:55 PM
To: Nisanci, Didem A.
Cc: Nagesh, Ammani; Hurnyak, Rachel E.
Subject: Glass Lewis

Hello,

Please see attached letter for Chairman Schapiro. Please let me know if you have any questions.

Thank you,
Stephanie

Stephanie Johnson
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce
1615 H Street, NW
Washington, DC 20062
p: (202) 463-5938
www.uschamber.com

May 31, 2012

The Honorable Mary Schapiro
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Dear Chairman Schapiro:

The undersigned organization and businesses strongly urge the Securities and Exchange Commission (SEC) to refrain from making further regulatory changes to money market mutual funds (MMMFs) that would fundamentally alter their structure and characteristics. Current rules governing MMMFs—updated as recently as 2010—strike the appropriate balance between risk and return, while the regulatory changes under discussion at the SEC would significantly undermine the value and utility of MMMFs, discouraging corporate, municipal, and individual investors' use of these types of investment products.

Throughout their 40-year history, MMMFs have been crucial instruments for daily cash management and have supported the efficient operation of the U.S. economy. Their existing structure gives investors a variety of benefits including preservation of capital; daily liquidity at par; enhanced diversification; robust credit analysis; the stability of high-quality, short-term assets; and administrative efficiencies.

Businesses and municipalities rely heavily upon MMMFs as the preferred investment vehicle for short-term cash, allowing them to temporarily park excess cash in a stable and highly liquid investment in anticipation of a need in the near future, for instance, to pay suppliers. The SEC's proposals would make investments in MMMFs more costly and would add accounting and tax complications that will ultimately force businesses and municipalities to seek alternative investments, fundamentally constraining their cash management practices while impeding an important source of liquidity for capital markets. Driving these investors away from MMMFs would increase the use of unregistered alternative funds that lack the strong regulatory framework and transparency of today's MMMFs, increasing systemic risk.

Individual investors use MMMFs as a way to earn modest interest on their savings while maintaining same-day access to funds. They rely on MMMFs for their emergency savings, accumulating a down payment for a home, college tuition, retirement funds, and more. However, potential new regulatory proposals would

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force many retail investors to find other investment alternatives in order to retain the flexibility, simplicity, and stability previously afforded by MMMFs. In particular, few investors would use MMMFs if they are denied full access to their assets.

Money market mutual funds are a vital tool for a wide variety of investors. We firmly believe existing regulations are sufficient to ensure their continued stability and viability. We urge the SEC against implementing any further regulatory changes that disrupt the existing structure and characteristics of these funds and would limit choices for investors, businesses, municipalities, with far reaching consequences for the American economy.

We thank you for your consideration.

Sincerely,

Access Technology Systema
Alert Stamping & Mfg. Co., Inc.
Alro Enterprises, LLC
Altus
Alydar Agency Inc.
Association for Financial Professionals
Association of Washington Business
BARD Materials
BD Construction, Inc. / Kearney
Bear City Glass Co.
Beaudoin Electrical Construction
Bellevue Drug Company, Inc.
Black-Haak Heating
Brandywine Communications
Brooks Bridge Bar-B-Que and Cafe Inc.
Burns Petroleum LLC
Business Services Etc, Inc.
Cadence Design Systems, Inc.
Captel
Castle Hunter Construction LLC
Center Sports, Inc.
Classic Bars Inc.
Conveyors Inc.

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Crafts, Etc.
Crane Data
Crestview Taxi LLC
Cross Diamond Electric
Cruise Control Auto Care
D.O.INC.
Dennis Neuhaus Inc.
Devon Energy
Diamond Rigging Corporation
Diversified Insurance Management
Downey-Goodlein Elevator Corporation
East Tennessee Section of AACE International
Easter Seals Northwest Alabama
Elite Insurance Agency, Inc.
Eye Kraft Optical, Inc.
Fairbanks Construction
Fairweather Medical Group
Financial Executives International Committee on Corporate Treasury
Financial Services Institute
FMC, Corp.
Four Sons Quality Cleaners
G&R Sales & Service
George's Rental & Supply Inc.
Georgetown Auto Parts
Global Tooling Solutions LLC
Greater Pittsburgh Chamber of Commerce
Greater Springfield Chamber of Commerce
Greg A. Parker, PE Consulting Engineer, Inc.
Gymninny Kids, Inc.
Hanweck Associates, LLC
Hastings Area Chamber of Commerce
Heart of the Valley Chamber of Commerce
Heating, Air-Conditioning and Refrigeration Distributors International (HARDI)
Henderson Area Chamber of Commerce
Hermiston Chamber of Commerce
Imperial Door Controls, Inc.
Joe West Company
Johnson City/Jonesborough/Washington County (TN) Chamber

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Kauai Nursery & Landscaping Inc.
Kentucky Chamber of Commerce
Kerns Trucking, Inc.
Kimmel Mechanical, Inc.
Machine Repair & Design Inc.
Magna Steel Sales Inc.
Merck
Midland Area Chamber of Commerce
Mike's Body Shop
Mohawk Valley Chamber of Commerce
Monticello Strategies
National Association of College and University Business Officers
National Association of Corporate Treasurers
National Shooting Sports Foundation
Nevada Blue LTD
Noel Sebastian Consulting
North Carolina Chamber
Outdoor Amusement Business Association, Inc.
Oxford Financial Services LLC
P & H Farms
P.L. Gaetano Transportation Inc.
Peninsular Mechanical Contractors, Inc.
Pennsylvania Chamber of Business and Industry
Pharmacy Solutions
PHI of GA
Plastics and Concepts of Connect, Inc.
Protective Security, Inc.
Quality Marble, Inc.
Red River Precision Manufacturing Inc.
Regal Marketing Inc.
Reiman Corp.
Retail Industry Leaders Association (RILA)
Retirement Strategies Group, LLC
Rowan County Chamber of Commerce
Safeway Inc.
SASIND Aviation, Inc.
Scott Metals, Inc.
Selma Communications, SVC

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Smith-Doyle Contractors, Inc.
Smithville Communications, Inc.
Southern Tank & Mfg Co Inc.
Spin Techs Inc.
Stallion Machine Shop LLC
Stewart Alexander & Company, Inc.
Stowers Machinery Corporation
Texas Association of Business
The Boeing Company
The Witte Co, Inc.
Timberville Drug Store Inc.
Tioga Construction Co, Inc.
Towne East Investments Properties
Treasury Strategies, Inc.
Tri-State Financial Services
U.S. Chamber of Commerce
Visteon Corporation
Water Resource Engineering Associates
Weslyn Mfg., Inc.
Wilhoite & Associates

cc: The Honorable Elisse Walter, U.S. Securities and Exchange Commission
The Honorable Luis Aguilar, U.S. Securities and Exchange Commission
The Honorable Troy Paredes, U.S. Securities and Exchange Commission
The Honorable Daniel Gallagher, U.S. Securities and Exchange Commission
The Honorable Timothy Geithner, Department of the Treasury
The Honorable Ben Bernanke, Federal Reserve Board
Members of the U.S. Senate Banking, Housing, & Urban Affairs
Members of the U.S. House Committee on Financial Services