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December 18, 2020

Vanessa Countryman
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 200549-0609

Re: Support for File No. SR-NASDAQ-2020-081, Related to Board Diversity

Dear Secretary Countryman:

Thank you for the opportunity to comment on NASDAQ's proposed rule change related to board diversity. As the author to Assembly Bill (AB) 979, which amended California law to guarantee representation of underrepresented communities in the board rooms of public companies effective January 1, 2021, and as the former chair to the California Legislative Black Caucus, I wanted to voice my support of NASDAQ's proposal to achieve greater gender, racial, and ethnic diversity in corporate leadership. Following recent movements for social justice, this proposal and the success of AB 979 highlight the importance of efforts of having people of color, women, and members of the LGBTQ+ community in positions of power.

Since the beginning of recent social unrest, corporations have publicly messaged their support for diversity and Black lives. However, this public support does not translate to diversity within a company's ranks and does not manifest in meaningful structural change. According to the USC Race and Equity Center, "Black employees in every industry tend to be concentrated in the lowest paying, least powerful positions... All of this strongly conveys to Black professionals that their lives do not matter at work — hence their doubtful reactions to company statements about George Floyd."

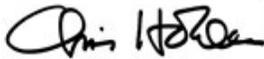
To put this into perspective, 80% of the 1,033 available board seats on Fortune 500 companies were filled by White or Caucasian directors and 59.6% of those directors were White men. Similarly, out of the 1,222 new board members of Fortune 100 companies, 77% of new directors were White or Caucasian and 51% of those directors were white men. Boards that lack racial, ethnic, and gender diversity not only work to reinforce systemic racism in our country, they also hinder potential financial growth for the company and limits responsiveness to market shifts. The Harvard Business Review states that a diverse board contributes to better decision making, improves company governance, and responds to market shifts more effectively. A recent report by McKinsey & Company found that ethnically diverse companies are 35% more likely to outperform other companies that lack a diverse workforce. These reports show that diversity at the board level impacts diversity at all levels of the company.

Without a diverse board it is increasingly difficult to attract diverse talent which then reinforces unconscious biases at the managerial and staff level. Even when staff from underrepresented communities

are hired, the turnover rate is high due to feelings of isolation and prevalence of microaggressions. A culture shift in the boardroom cultivates an environment that values different perspectives and is more likely to hire and retain racial and gender minorities at all levels within the company. This proposal opens the door to long needed change and holds companies accountable for providing equitable opportunities for all Americans.

It is for these reasons that I support SR-NASDAQ-2020-08.

Sincerely,



CHRIS R. HOLDEN
Assemblymember, 41st District