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# Securities and Exchange Commission Investor Advisory Committee

October 5, 2009

Washington, DC



# Agenda

## **9:00 a.m. Opening Remarks & Introductions**

- **Commissioner Luis A. Aguilar**

## **9:10 – 10:45 a.m.**

- **SEC Staff Panel: *The SEC's Agenda***

## **10:45 – 11:30 a.m.**

- **Overview of Subcommittees**

## **11:30 a.m. – 12:00 p.m.**

- **Consideration of Draft Recusal Policy**

## **12:00 – 2:00 p.m.**

- **Recess [Breakout for Subcommittee Meetings]**

## **2:15 – 3:45 p.m.**

- **Reports from Subcommittees**

## **3:45 – 4:30 p.m.**

- **Next Steps**

## **4:30 p.m. Adjourn**



## Committee Objective

*“The Committee’s objective is to provide the Commission with the views of a broad spectrum of investors on their priorities concerning the Commission’s regulatory agenda, including:*

- 1. advising the Commission regarding matters of concern to investors in the securities markets;*
- 2. providing the Commission with investors’ perspectives on current, non-enforcement, regulatory issues; and*
- 3. serving as a source of information and recommendations to the Commission regarding the Commission’s regulatory programs from the point of view of investors.”*

Source: Committee Charter



# SEC Staff Panel: *The SEC's Agenda*

- Panelists
  - Moderator: Ken Johnson
  - Draft Goal 1: Rich Hannibal
  - Draft Goal 2: David Shillman & Jeff Minton
  - Draft Goal 3: Shelley Parratt & Susan Nash
  - Draft Goal 4: Tim Buckley
- Process for Development of Draft Strategic Plan
  - Combination of top-down and bottom-up approach
    - Steering Committee
    - Four Work Groups
- Mission & Vision & Core Values
- Key Environmental Factors
- Timeline going forward



# SEC Staff Panel: *The SEC's Agenda*

## **Goal 1: Foster and enforce compliance with the federal securities laws**

- Outcome 1.1: The SEC fosters compliance with the federal securities laws.
- Outcome 1.2: The SEC promptly detects violations of the federal securities laws.
- Outcome 1.3: The SEC prosecutes violations of federal securities laws and holds violators accountable.



# SEC Staff Panel: *The SEC's Agenda*

## **Goal 2: Establish an effective regulatory environment**

- Outcome 2.1: The SEC establishes and maintains a regulatory environment that promotes high-quality disclosure, financial reporting, and governance, and that prevents abusive practices by registrants, financial intermediaries, and other market participants.
- Outcome 2.2: The U.S. capital markets operate in a fair, efficient, transparent, and competitive manner, fostering capital formation and useful innovation.
- Outcome 2.3: The SEC adopts and administers rules and regulations that enable market participants to understand clearly their obligations under the securities laws.



# SEC Staff Panel: *The SEC's Agenda*

## **Goal 3: Facilitate access to the information investors need to make informed investment decisions**

- **Outcome 3.1:** Investors have access to high-quality disclosure materials that are useful to investment decision making.
- **Outcome 3.2:** Agency rulemaking and investor education programs are informed by an understanding of the wide range of investor needs.



# SEC Staff Panel: *The SEC's Agenda*

## **Goal 4: Enhance the Commission's performance through effective alignment and management of human, information, and financial capital**

- Outcome 4.1: The SEC maintains a work environment that attracts, engages, and retains a technically proficient and diverse workforce that can excel and meet the dynamic challenges of market oversight.
- Outcome 4.2: The SEC retains a diverse team of world-class leaders who provide motivation and strategic direction to the SEC workforce.
- Outcome 4.3: Information within and available to the SEC becomes a Commission-wide shared resource, appropriately protected, that enables a collaborative and knowledge-based working environment.
- Outcome 4.4: Resource decisions and operations reflect sound financial and risk management principles.



# Overview of Subcommittees

## 1. Investor Education

- Chair: Dallas Salisbury
- Staff: Owen Donley (DFO), Mary Head, Erica Evers

## 2. Investor as Purchaser

- Chair: Mercer Bullard
- Staff: Susan Nash (DFO), Smeeta Ramarathnam, Christian Broadbent

## 3. Investor as Owner

- Chair: Stephen Davis
- Staff: Brian Breheny (DFO), Zachary May, Lesli Sheppard

For all: David Fredrickson, Kayla Gillan (Committee DFO)



# Draft Recusal Policy

## Key Components:

### 1. Subjective standard

- “A conflict of interest exists if employment, business, financial or other personal considerations may compromise a Committee member’s ability to objectively express his or her opinions regarding what investors in the U.S. capital markets need, want or should either be provided or protected from (hereafter referred to as ‘investor interests’).”
- Differing views or perspectives ≠ “conflict of interest”

### 2. Responsibility of each Committee member to raise, both for him/herself, as well as with regard to other members



**12:00 p.m. – 2:00 p.m.**

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## Recess for Meetings of Subcommittees



# Report from Subcommittee Chairs

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1. Investor Education (Dallas Salisbury)
2. Investor as Purchaser (Mercer Bullard)
3. Investor as Owner (Stephen Davis)



## Next Steps

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- Next Committee Meeting: February 22, 2010
- Future Agenda Items
  - Subcommittee Reports
  - Process for developing agenda
- Other Business?