



California Public Employees' Retirement System

Executive Office

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The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

April 9, 2021

Subject: H.R. 1528, The "Promoting Transparent Standards for Corporate Insiders Act"

Dear Chairwoman Waters:

On behalf of the California Public Employees' Retirement System (CalPERS), I write to express support for H.R. 1528, the "Promoting Transparent Standards for Corporate Insiders Act," legislation that would protect investors and public companies from insider trading and improve investor confidence in public capital markets.

As the largest public pension fund in the United States, we manage approximately \$450 billion in global assets on behalf of more than two million members. As a global, institutional investor with a long-term investment horizon, we understand the lasting harm that insider trading causes public companies and investors. We believe that the Securities and Exchange Commission (SEC) must take additional steps to prevent insider trading abuses; H.R. 1528 is a good move in the right direction.

H.R. 1528 is a thoughtful measure that will eliminate certain problematic insider trading. SEC Rule 10b5-1, as currently constituted, does not adequately restrict insider trading because it allows issuers and issuer insiders to make certain changes to their trading plans and adopt multiple trading plans. H.R. 1528 promotes more efficient and fair capital markets by requiring the SEC to comprehensively analyze and design amendments to SEC Rule 10b5-1 that address, among other things:

- Multiple and overlapping trading plans
- Timing of trades under trading plans
- Timing of trade plan modifications and cancellations
- Disclosure of trade plan adoptions, amendments, terminations and transactions

Moreover, the bill's requirement that the SEC report its findings to Congress will ensure public transparency and accountability.

I applaud you for your continuing leadership on this issue and for your bipartisan approach to protect and promote public capital markets.

Please do not hesitate to contact me directly at (916) 795-3829 or your staff can contact Danny Brown, Chief of our Legislative Affairs Division, at (916) 795-2565, if we can be of any assistance.

Sincerely,

Marcie Frost
Chief Executive Officer

cc: Danny Brown