

April 18, 2007

Chairman Barney Frank  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Frank,

I am very grateful for the opportunity to testify in support of H.R. 1257, "The Shareholder Vote on Executive Compensation Act." I would like to reiterate my support for this vital proposal, one that I believe to be essential to the credibility and sustainability of our capital markets. Under our current system there is no consequence for excessive pay. The fundamental irony — and the fundamental hypocrisy — is that the very same people who claim that the free market is the most efficient mechanism for assigning value are less enthusiastic when it comes to applying that test to their own pay packages. I believe that requiring an advisory vote on pay strikes exactly the right balance in providing a mechanism that is meaningful but not disruptive. As you know, it has been effective in the U.K. without creating any problems.

I have been observing, writing about, and trying to improve corporate governance for more than 20 years. I have written over 200 articles and co-written three books, including an MBA textbook about to be re-issued in a 4th edition. In all of that time and in all of that study, the problem of excessive CEO compensation has been the most intractable and troubling. It is the ultimate symptom of a system that has become an obstacle to market efficiency instead of its exemplar. I appreciate all that you and the Committee have done to move this proposal forward and I encourage all Members to support it.

Sincerely,

Nell Minow

cc: Rick Delfin