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June 5, 2013

Mr. John Carey
Vice President—Legal
NYSE Regulation, Inc.
NYSE Euronext
20 Broad Street, 24th Floor
New York, NY 10005

Mr. Edward Knight
Executive Vice President & General Counsel
NASDAQ OMX
805 King Farm Boulevard
Rockville, MD 20850

Dear Mr. Carey and Mr. Knight:

As you know, on Oct. 2, 2012, the Council of Institutional Investors ("CII") wrote to each of your respective organizations requesting that you consider proposing rules for approval by the Securities and Exchange Commission under which: 1) companies that seek an initial listing would be ineligible if they have two or more classes of common stock with unequal voting rights and 2) already listed companies would be prohibited from issuing additional classes of common stock with unequal voting rights.

I read the letter from CII with great interest, and I am writing to reiterate their call for action from your institutions. I believe the investing public would benefit greatly if you issued proposals for public comment soliciting input on this most fundamental of corporate governance issues.

If a company goes to the public markets to raise money, long-term ordinary common stock investors – a category that includes directly or indirectly millions of retirees and workers – should be entitled to certain basic rights. One of the most basic of those rights is one-share-one-vote.

I understand that the founders and initial executives of a company can benefit from unequal voting arrangements, and, early in a company's history, the company can sometimes benefit as well. At some point, however, the founders and initial team of executives generally lose interest, change jobs, or simply pass away. When that time comes, long-term passive investors will remain. Under unequal voting arrangements, those long-term investors will have limited recourse in holding management and the board accountable if the company heads in a wrong direction. In addition, unequal voting helps entrench management and a board that can enrich themselves at the expense of the general investors. By trapping long-term investors with reduced voting rights, an important check on management discretion is lost. This has led many mutual fund providers, such as Fidelity and Vanguard, to oppose the introduction of new classes of stock with unequal voting rights.

The number of public companies using multi-class stock structures has risen sharply in recent years, which underlines the urgency of issuing a proposal to generate public comment on this important corporate governance issue. I am writing to respectfully request that you each promptly develop and issue for public comment a proposed listing standard addressing the issues described above. In my view, the issuance of such a proposal would benefit your respective institutions and enhance the security of the markets. By ensuring that basic investor protections are not undercut in the markets you serve, investor confidence will be strengthened.

Sincerely,

Elizabeth Warren

Senator Elizabeth Warren