

## NEWS RELEASE

November 1, 2004

# IDC Statement on Independent Chair Provision (pdf)

NEWS For Immediate Release Contact: Marguerite Bateman 202.326.8300 IDC Statement on Independent Chair Provision Washington, DC, November 19, 2004 – A provision in the omnibus appropriations bill would require the Securities and Exchange Commission to submit a report to Congress on the issue of independent mutual fund chairmen. James H. Bodurtha, chairman of the Independent Directors Council, issued the following statement on behalf of IDC's Executive Committee. "At the time the SEC was considering the independent chair requirement, the IDC argued that the boards of each fund should be allowed to make the decision on this issue in the best interest of their shareholders," Bodurtha noted. "Members of the IDC met with SEC staff and Commissioners to discuss our views. Not all directors were then, or are now, in agreement on the need for this requirement and we stated this position in a letter to the Commission. That being said, when the requirement was adopted, the IDC moved swiftly to assist fund boards in its implementation." The IDC has formed a task force, which is comprised of independent fund directors and independent fund chairs, to study issues relating to the implementation of the independent chair requirement, and a report will be released later this year. According to the chair of the task force, Cynthia Hargadon of the Wilshire Funds, the report will address a number of issues, including the responsibilities of the independent chair, as well as factors to consider in selecting and compensating the chair. "This report is intended to provide guidance to directors as they evaluate this new requirement," Ms. Hargadon said. "For some boards, this represents a larger change than for others. But all task force participants, as well as the many other directors who have provided their views to the task force, have expressed a strong desire to implement the independent chair requirement in a manner that advances the best interests of the shareholders we all represent." - 30 - The Independent Directors Council serves the mutual fund independent director community by providing a venue to advance the education, communication, and policy positions of mutual fund independent directors. The Council is composed of independent directors at U.S. mutual funds. For the latest information, visit the IDC's website [www.idc1.org](http://www.idc1.org).