

FOR IMMEDIATE RELEASE

Former FDIC Chair to Lead Systemic Risk Council, Monitor Financial Regulation

Council aims to accelerate financial market reforms

Washington – June 6, 2012 – The Systemic Risk Council, a private sector, volunteer group led by former Federal Deposit Insurance Corp. chair Sheila Bair, will convene this month to monitor and encourage regulatory reform of U.S. capital markets focused on systemic risk. The independent, non-partisan council was formed by CFA Institute, the global association of investment professionals that sets the standard for professional excellence and The Pew Charitable Trusts, an independent nonprofit organization that brings a rigorous, analytical approach to solving today's most challenging problems. The Systemic Risk Council is comprised of a diverse group of experts in investments, capital markets and securities regulation, including senior advisor Paul Volcker, former Chair of the Federal Reserve.

According to Bair, concerns over the slow progress of regulators and standard-setters prompted the creation of the Systemic Risk Council. The council will monitor and evaluate the activities of those with the Congressional mandate to develop and implement Dodd-Frank provisions related to systemic risk, including the Financial Stability Oversight Council (FSOC) and the Office of Financial Research.

"The great challenge is to devise a system to identify risks that threaten market stability before they become a danger to the general public," said Sheila Bair, senior advisor to The Pew Charitable Trusts and chair of the Systemic Risk Council. "As evidenced by the 2008 crisis and even recent headlines, we need a more effective and efficient early-warning system to detect issues that jeopardize the functioning of U.S. financial markets before they disrupt credit flows to the real economy. And two of the most critical tasks are how to impose greater market discipline on excess risk taking and effectively end the doctrine too-big-too-fail."

The Systemic Risk Council expects to evaluate and provide commentary on the existing efforts of regulators to design and implement a credible and globally-coordinated systemic risk oversight function. Council activities will include reports and commentary to the FSOC and its member regulators as they adopt regulations to prevent the type of severe financial disruptions which occurred in 2008 when global financial markets began to unravel.

"Despite the magnitude of the financial crisis, prospects for major reform of regulatory systems are inadequate and vague," said John Rogers, CFA, president and CEO of CFA Institute and Systemic Risk Council member. "This council will serve as an essential sounding board for systemic risk reforms focused on strong investor protection, and offer a critical voice to promote the enforcement of regulations, financial disclosure and transparency."

"This new council is composed of experts with a thorough understanding of the issues, and we are pleased to support their efforts to find nonpartisan and independent recommendations," said Rebecca W. Rimel, president and CEO of The Pew Charitable Trusts. "The reforms to our nation's financial system enacted by Congress and signed by the president in 2010 were an important first step. The task now is to implement these reforms, especially those related to systemic risk."

The council plans to issue a call to action on June 18, at The Pew Charitable Trusts in Washington, D.C., detailing the objectives and future plans for the Systemic Risk Council.

Members of the System Risk Council are:

Chair

Sheila Bair, The Pew Charitable Trusts, Former FDIC Chair

Senior Advisor

Paul Volcker, Former Federal Reserve Chair

Members

Brooksley Born, Former U.S. Commodity Futures Trading Commission Chair

Bill Bradley, Former U.S. Senator (D-NJ)

William Donaldson, Former U.S. SEC Chair

Harvey Goldschmid, Columbia Law School, Former U.S. SEC Commissioner

Jeremy Grantham, Co-founder & Chief Investment Strategist, Grantham Mayo Van Otterloo (GMO)

Chuck Hagel, Distinguished Professor, Georgetown University, Former U.S. Senator (R-NE)

Richard Herring, The Wharton School, University of Pennsylvania

Simon Johnson, Massachusetts Institute of Technology Sloan School of Management

Hugh F. Johnston, Exec. VP & CFO, PepsiCo

Ira Millstein, Legal Counsel to SRC; Chair, Columbia Law School, Center for Global Markets and Corporate Ownership

Maureen O'Hara, Cornell University Johnson School of Management

Paul O'Neill, CEO, Alcoa, Former U.S. Treasury Secretary

John S. Reed, Former Chairman and CEO of Citicorp and Citibank

John Rogers, CFA, President and CEO, CFA Institute

Alan Simpson, Former U.S. Senator (R-WY)

About CFA Institute

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has more than 110,000 members in 139 countries and territories, including 101,000 Chartered Financial Analyst charterholders, and 136 member societies. For more information, visit www.cfainstitute.org.

About The Pew Charitable Trusts

The Pew Charitable Trusts, an independent nonprofit, is the sole beneficiary of seven individual charitable funds established between 1948 and 1979 by two sons and two daughters of Sun Oil Company founder Joseph N. Pew and his wife, Mary Anderson Pew. The Pew Charitable Trusts is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public, and stimulate civic life. For more information, visit www.pewtrusts.org.

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