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NOMINATIONS OF: BIJAN RAFIEKIAN, DIANE FARRELL, WILLIAM S. JASIEN, MARK S. SHELTON, AND WILLIAM H. HEYMAN

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

NOMINATIONS OF:

BIJAN RAFIEKIAN, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS, EXPORT-IMPORT BANK

DIANE FARRELL, OF CONNECTICUT, TO BE A MEMBER OF THE BOARD OF DIRECTORS, EXPORT-IMPORT BANK

WILLIAM S. JASIEN, OF VIRGINIA, TO BE A DIRECTOR, SECURITIES INVESTOR PROTECTION CORPORATION

MARK S. SHELTON, OF NEW JERSEY, TO BE A DIRECTOR, SECURITIES INVESTOR PROTECTION CORPORATION

WILLIAM H. HEYMAN, OF NEW YORK, TO BE A DIRECTOR, SECURITIES INVESTOR PROTECTION CORPORATION

WEDNESDAY, JULY 11, 2007

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NOMINATIONS OF:

BIJAN RAFIEKIAN, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS, EXPORT-IMPORT BANK OF THE UNITED STATES;

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WEDNESDAY, JULY 11, 2007

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 9:05 a.m., in room SD–538, Dirksen Senate Office Building, Hon. Christopher J. Dodd (Chairman of the Committee) presiding.

OPENING STATEMENT OF CHAIRMAN CHRISTOPHER J. DODD

Chairman DODD. The Committee will come to order.

Good morning everyone and welcome to the Banking Committee. I am going to ask the hearing will come to order.

I expect to maybe have one or two other members show up here but I want to welcome you all here this morning and offer my congratulations to you on your nominations.

We are meeting in open session to conduct a nomination hearing that is a crucial part of this Committee's oversight responsibilities and I would like to thank our witnesses for their willingness to appear before the Committee, for their service, and again congratulations on your nomination.

On our panel we have two nominees for the Board of Directors at the Export-Import Bank of the United States and three nomi-

nees for the Board of Securities Investor Protection Corporation, SIPC.

The Eximbank is the official export credit agency of the United States. Eximbank's mission is to assist U.S. companies large and small and financing the export of U.S. goods and services to international markets.

Our first witness is Bijan Rafiekian. Did I pronounce that correctly?

Mr. RAFIEKIAN. Yes, sir.

Chairman DODD. Mr. Rafiekian has been serving on the Board of Directors at the Eximbank since October of last year. He has testified previously before this Committee and has been renominated for a new 4-year term expiring in the year 2011.

Mr. Rafiekian was formerly the Director of the State of California Office of Foreign Investment, which was that State's leading office for attraction, retention, and expansion of foreign direct investment. He also previously served on the Board of the California Housing Finance Authority and as President of Globetel, an international telecommunications company based in San Diego. In addition, he was the principal in Global Capital Markets, Inc.

Our next nominee for a 4-year term as Director of the Eximbank is Diane Farrell. I have known Diane for many years and I have been impressed, obviously, with her intelligence, her tenacity and her overriding commitment on behalf of the people that she has represented in Connecticut and the work she has done.

As a former First Selectwoman of Westport, Connecticut, Diane Farrell displayed her leadership skills by working with business, government, and community leaders to solve a variety of problems. After being elected with over 70 percent of the vote—a stunning number, I might add, an enviable number for all of us in public life—Diane began finding more solutions to local issues by actively reaching out and working cooperatively with business leaders and through organizations like the Business Council and local Chamber of Commerce. Additionally, she was able to hone her business and managerial skills by serving on Westport's Board of Finance.

Her financial experience and desire to work in partnership with businesses both large and small led her to work as Chair of the Fairfield County Metropolitan Organization, as well as a leadership role in the Connecticut Conference of Municipalities.

Like Mr. Rafiekian, her experience and desire to work on a national level with U.S. exporters as they pursue export opportunities is commendable and exactly what we need on the Board of Directors for the Export-Import Bank. I look forward to hearing from her testimony this morning, as well.

Next we have the three nominees to serve as Directors of the Board of the Securities Investor Protection Corporation, better known as SIPC. SIPC was created by Congress in 1970 to give investors certain protections against losses resulting from the failure of their stock brokerage firms. SIPC requires broker-dealers to contribute to the SIPC fund and helps investors whose securities and cash are held by failed brokers to recover those assets.

In order to maintain investor confidence in the securities markets and their brokerage firms, SIPC must operate in a manner that is effective, efficient and fair. This involves maintaining fund

balances that are adequate and liquid so that SIPC can pay out investor claims equitably and quickly. This requires appropriate corporate governance practices so that SIPC has adequate internal financial controls, transparent contracting protocols and appropriate executive compensation practices, and its board members avoid conflicts of interest.

It also requires educating investors broadly about the role of SIPC and the extent of SIPC's coverage so they will know what it will and will not cover. In addition, it entails working cooperatively with the Securities and Exchange Commission and with the self-regulatory organizations.

The first of the nominees is Mark Shelton, who has been nominated for a term expiring December 31, 2008. Mr. Shelton is General Counsel for UBS Financial Services, a securities firm where he had worked since 2003. Previously he was a partner in the firm of Wilmer, Cutler and Pickering where he worked from 1997 to 2003 and taught as an adjunct professor of law at Georgetown University Law Center.

From 1995 to 1996 he served as Deputy Counsel, General Counsel, for the Dole-Kemp 1996 Presidential campaign. Prior to this position he served at the Securities and Exchange Commission and clerked for the U.S. Court of Appeals for the Eighth Circuit.

Next on our panel we have William Stephen Jasien, who has been nominated for the term expiring December 31, 2009. Mr. Jasien is a Senior Vice President for the Distribution and Administration of Public Pension Plans at ING Financial Advisors, a broker-dealer where he has worked since 1993.

Previously, from 1991 to 1993, he served in the United States Department of Treasury as Deputy Assistant Secretary, Budget Procurement and Human Resource Administration. From 1989 to 1991 Mr. Jasien served at the Resolution Trust Corporation Oversight Board as a Director of Public and Industry Affairs. He also worked as Deputy Campaign Controller for the George Bush for President Campaign from 1987 to 1989 and for the United States Senator Paula Hawkins from 1985 to 1987.

Our final nominee for the Board is William Heyman who has been nominated for two terms, the first expiring at the end of this year and the second expiring on December 31, 2010.

Mr. Heyman is currently serving as Vice Chairman and Chief Investment Officer for the Travelers Companies, Inc. From 1995 to 2002 he worked for Citigroup and its predecessor, Travelers Group, Inc., in various positions including Chairman of Citigroup Investments. Prior to that position he worked from 1993 to 1995 for Salomon Brothers, Inc. as Managing Director and head of the Private Investment Department. From 1991 to 1993 at the Securities and Exchange Commission, as Director of the Division of Market Regulation.

He has also worked for brokerage firms and private law firms. He's a member of the Board of Governors for the National Association of Securities Dealers. Mr. Heyman, I thank you for being here.

I look forward to the testimony of all of our witnesses here this morning.

Let me, first of all, do what we normally do here. Let me ask each of you if you have family here in the room, and I know some

of you do. And why don't you recognize them and introduce them for the purposes of the record so they can actually say they were here. So some day when they say you did not show up for my confirmation, you can say in the record I was here. Mr. Rafiekian.

Mr. RAFIEKIAN. Thank you, Mr. Chairman.

I have my wife of 25 years, Gissou, who is a banker. Also here with me, my daughter Christine, who is a sophomore at American University studying international studies and law and society, and my daughter Alexandria, who will be a freshman at Winston Churchill High School.

Chairman DODD. Terrific. That is very good. Thank you. Thanks for joining us this morning.

Diane.

Ms. FARRELL. Mr. Chairman, I am most honored to introduce to you my husband, some would say long-suffering, of 29 years, Win Farrell, who has really and truly made all of this possible for me. And I am going to publicly say thank you, for the record.

Chairman DODD. Thank you very much. Win, nice to see you. Good to have you with us this morning.

Mr. Jasien.

Mr. JASIEN. Mr. Chairman, I am pleased to introduce my family: my wife Kathy, our daughter Ally, our son Hunter, and other son Chapman. Our oldest son could not be here. He is off at wrestling camp.

Chairman DODD. Very good. We will note where he is in the record.

Mr. JASIEN. And they are thrilled to be here.

Chairman DODD. Thanks for coming here this morning.

Mr. Shelton.

Mr. SHELTON. Mr. Chairman, my family could not be here today but I still would like to recognize my wife April and my sons, Spencer and Hewitt.

Chairman DODD. Absolutely, very good.

Mr. Heyman.

Mr. HEYMAN. My family could not be here either, but I would like to recognize my wife Wendy and my stepson Jack.

Chairman DODD. Terrific, very, very good.

Since we are recognizing family, I should recognize my wife is here, Jackie. For the record, for truth in advertising here, Jackie was a member of the Board and Vice Chairman of the Board at the Eximbank for a number of years and Chief of Staff down there, as well. She has a strong interest and knows Diane well, obviously. But in addition to that, she has some pretty good knowledge about Eximbank and wanted to come by this morning and hear the testimony.

Let me turn to my colleague, Senator Allard.

STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. Mr. Chairman, I would like to thank you for convening the Banking Committee this morning to consider the pending nominations. I appreciate the opportunity to learn more about the nominees' background as well as their intentions for their agencies.

First, I would like to welcome Mr. Rafiekian, who is nominated to the Board of the Export-Import Bank. It is important to have strong leadership in place and his prior leadership on the board, I think, will be very, very helpful.

I would also like to welcome Diane Farrell. I am sure her background, especially in advertising, will be helpful to the Export-Import Bank.

Next, I would like to welcome William Herbert Heyman, William Jasien, and Mark Shelton, all of whom are nominated to the Board of Directors of the Securities Investor Protection Corporation.

The Securities Investor Protection Corporation has recovered $15.7 billion in assets for 626,000 investors when brokerage firms closed to bankruptcy or other financial problems. SIPC estimates that no fewer than 99 percent of persons who are eligible have been made whole in the failed brokerage firm cases it has handled to date.

Our nominees bring outstanding private sector credentials to their positions and I appreciate their willingness to enter or remain in public service. I encouraged them to remain focused on results and outcomes rather than processes. One of the best ways to do this is through familiarity and compliance with the Government Performance and Results Act and the Administration's PART analysis.

Thank you for being here today and I look forward to your testimony.

Thank you, Mr. Chairman.

Chairman DODD. With that let me, if I can, ask our witnesses to please stand and raise your right hand, if you would.

Do you swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RAFIEKIAN. I do.

Ms. FARRELL. I do.

Mr. HEYMAN. I do.

Mr. JASIEN. I do.

Mr. SHELTON. I do.

Chairman DODD. And do you agree to appear and testify before any duly constituted Committee of the United States?

Mr. RAFIEKIAN. I do.

Ms. FARRELL. I do.

Mr. HEYMAN. I do.

Mr. JASIEN. I do.

Mr. SHELTON. I do.

Chairman DODD. I thank you very much. Please be seated.

Before you begin, let me assure all of you here that your written testimony will be included in the record in full, and any other supporting documents you may want the Committee to have for purposes of the nomination.

I say that and also, as my colleague knows, we will leave the record open here for any statements other members of the Committee want to make regarding the nominees or any questions they may have for you, which I will ask that they produce promptly so that you can respond promptly so that we can try and get this confirmation done, barring any other unforeseen circumstance, before

the August break. That is my attention anyway, to try and get you out of here. We have got some markups for this Committee planned for this month here and I would like to be able to include your nominations as part of that.

So again, as custom would have it, members are not all here. They may want some questions to be raised with you and I want to give them the opportunity to do that. But I will insist that they do it promptly and that you respond promptly, as well. Any delay in that obviously runs the risk of delaying your nomination going forward. So we will try and make that as quick as we can.

With that, let me begin with you, Mr. Rafiekian, and any opening statement you have. I will just work down the line here with you and then I have some questions for you.

STATEMENT OF BIJAN RAFIEKIAN, MEMBER OF THE BOARD OF DIRECTORS-DESIGNATE, EXPORT-IMPORT BANK OF THE UNITED STATES

Mr. RAFIEKIAN. Thank you, Chairman Dodd, Senator Allard.

I am most grateful to President Bush for renominating me and granting me the greatest honor of my life, with the opportunity to serve my country, the United States of America, as a member of the Board of Directors of the Export-Import Bank of the United States.

With 9 months of service in this capacity, I have developed an understanding of the Bank's operations and mission. I have been fortunate to work closely with the most talented dedicated professional staff at the Eximbank. I would like to express my appreciation for their hard work in support of American exporters and their contribution to maintaining and expanding U.S. jobs through exports.

Serving together with my distinguished colleagues on the Board of Directors in carrying out the policies articulated in by the Congress of the United States has been a privilege and a point of personal pride for me.

Mr. Chairman, when I came before this honorable committee in September of 2006, I testified that if confirmed I would do my very best to carry out the prudential and fiduciary responsibilities of the office I was nominated to serve. It is with humility and a great sense of appreciation for the trust and confidence you placed in me, and it is with personal pride that I am here today to present to you that I have kept my promise in my capacity as a member of the Board of Directors of Eximbank. I applied my experience with diligence to make certain that as we eagerly and aggressively fulfill our mission to support American exporters and U.S. jobs, the interest of U.S. taxpayers are protected.

In addition to carrying out the duties of the office I serve on the Board of Directors, I have also served as the Chairman of the Audit Committee of the Board, together with my colleagues, members of the Audit Committee, overseeing the work of independent internal and external auditors. I have made certain that we provide continuous examination and scrutiny of the adequacy of safeguards and systems of internal control to ensure the continuity of safety and soundness of the operation of the Bank in an independent fashion.

In addition to my work on the Board of Directors and my responsibility as Chairman of the Audit Committee, I also serve as an ex-officio member of the Credit Committee of the Bank, representing the Board. My work on this Committee has afforded me the opportunity to observe the competence and dedication of professional staff members and the opportunity to apply my experience and contribute to work of this Committee.

I have worked closely with our Small Business Division to expand our reach and support for small businesses and have actively participated in expanding our city state partnerships in support of small business. I have also worked with my colleagues at the Department of Commerce and Trade Development Agency to do more for the services sector within the frame of our charter and authorizations.

Mr. Chairman, Senator Allard, I am here today to testify that if confirmed I shall continue my work in carrying out the responsibilities of the office I am designated to serve with the same degree of diligence, care, and dedication and with the same vigor as I have in the past 9 months.

I am here to testify that if confirmed I shall uphold the highest standards of integrity and prudence consistent with the honor and responsibility of the office I am designated to serve. I am grateful to you, sir, for giving me this great honor to come before you today. In respect for your time, I keep my remarks brief and I welcome the opportunity to answer your questions. Thank you.

Chairman DODD. Thank you very much, Mr. Rafiekian.

Ms. Farrell.

STATEMENT OF DIANE G. FARRELL, MEMBER OF THE BOARD OF DIRECTORS-DESIGNATE, EXPORT-IMPORT BANK OF THE UNITED STATES

Ms. FARRELL. Mr. Chairman, Mr. Allard, and individuals here to witness the hearing this morning, it is a great honor to appear before you as a nominee to the Board of the Export-Import Bank of the United States.

I am grateful to President Bush for this nomination, to Senator Harry Reid for his support, and most especially to my great friend, Chairman Dodd, for convening this hearing. Chris, you have represented our State and led the Nation on so many issues vital to our citizenry.

It is equally an honor to have my friend, Jackie Clegg Dodd, here in attendance. As former Vice Chair of the Export-Import Bank, her knowledge of international trade and export finance has been an invaluable resource.

As important as all who are in this room are important, the most to me is my husband of 25 years whom I have introduced. I should also say, since everyone has mentioned their children and I do not want to catch grief at home, we do miss our two daughters, Hillary and Margaret. I have to tell you that without my family's support this would never have happened and I cannot say thank you enough.

When the opportunity to serve as Director of the Export-Import Bank was first raised, I was instantly excited. The principle of partnership and a personal philosophy that government should act

in an assisting role to the marketplace whenever possible helped to guide my years as the chief elected official of my community. In 8 years in office, I worked closely in a supportive role with commercial interests of all sizes.

Fairfield County, Connecticut is home to numerous Fortune 500 companies as well as small business. The Business Council of Fairfield County and the Chambers of Commerce in the cities and towns in our area are proactive organizations that eagerly reached out to area elected officials as a means to multidimensionally strengthen the region. Cooperative efforts including transportation, housing, homeland security, and infrastructure improvement are some of the more prominent initiatives that I was involved in during my tenure in office.

Should I be confirmed to the Board of Directors at the Eximbank, I would intend to carry forward the public-private partnership philosophy as part of the Eximbank's leadership.

I had the opportunity to attend the Eximbank's annual meeting this past April and was very impressed to see the cooperative spirit between government and the private sector. Having come from the account management side of advertising prior to my years in public service, I was pleased to see such strong efforts on behalf of the Bank to actively market its products to lending institutions and their clients.

I would expect to employ the skills I honed in the advertising industry as a Director of the Bank on behalf of the Eximbank where I can be helpful. Acknowledging the emphasis that Congress has asked the Eximbank to place on small business support, I would hope to play a leadership role in that effort.

Having managed a municipality for 8 years well suits me to understand the complexities and unique nature of government institutions. Prior to becoming the First Selectwoman, I served on the Board of Finance. These two experiences in combination give me both the perspectives of management and oversight.

As one of the non-managing members of the Board, I will be serving as part of the Audit Committee. This is a very familiar role for me, as it was a function of our Board of Finance. I take special note the Bank will, for the first time—thank you, Senator—have an inspector general. Independent internal audit functions can be extremely helpful to management and I would lend my support to assist and support the additional oversight sought by Congress.

What perhaps attracts me most to the Eximbank is its mission to promote U.S. commercial interests in the global marketplace with the priority of retaining jobs here at home. The issue of losing jobs overseas is ever present in the minds of our country's citizens and leadership. To be able to actively help companies compete to retain jobs and promote new industries will be a most rewarding and satisfying endeavor.

There is a wonderful motto that I learned in Girl Scouts many years ago: "A Girl Scout leaves a place better than she found it." It may sound a bit too folksy here in such August surroundings but it speaks volumes to the kind of person I have always tried to be—to make a difference.

Should I be confirmed, I look forward to putting my experience, training, and energy to work on behalf of the Export-Import Bank.

I am eager to make a positive contribution. It would be a great honor to serve my country in this capacity.

Mr. Chairman, Mr. Allard, thank you again for the opportunity to seek your support of my nomination. I look forward to any questions you may have for me.

Thank you.

Chairman DODD. Thank you very much. Mr. Jasien.

STATEMENT OF WILLIAM S. JASIEN, DIRECTOR-DESIGNATE, SECURITIES INVESTOR PROTECTION CORPORATION

Mr. JASIEN. Good morning, Mr. Chairman, Senator Allard, my name is Bill Jasien and I am honored to be nominated by President Bush to serve on the SIPC Board of Directors.

I want to re-emphasize how pleased I am to have my family here with me today supporting me for this great honor.

I believe I am well-qualified to serve on the SIPC Board based on my financial expertise and background in the securities and wealth management industries. I am a Certified Retirement Plan Administrator and currently head of Business Development for ING Financial Advisors. This division of ING is focused on the defined contribution retirement planning marketplace.

I take great pride in my affiliation with ING and its global focus on serving the needs of savers and investors through our banking, investments, insurance and asset management business lines.

Beyond ING, I am active in various charitable organizations, including INFRE, the International Foundation for Investor Education, the Washington Chapter of the American Red Cross, and the United States State Department Overseas Scholastic Advisory Council.

I am the former Vice Rector of the Board for my alma mater, James Madison University, and have participated in a variety of private sector boards and commissions throughout my career.

I am honored to have served in various capacities in the Government. Here as a staffer on Capitol Hill, as Director of Public Affairs for the Oversight Board of the Resolution Trust Corporation, and as Deputy Assistant Secretary at the U.S. Department of Treasury.

As a registered NASD principal with a SIPC member broker-dealer, I very much appreciate the important role SIPC plays in the securities industry. Although the securities industry is quite complex, it can be distilled down to a few key principles: education, risk, and confidence. Throughout its history, SIPC has had a meaningful influence on each of these components, Components which ensure market transparency, investor protection, and ultimately a thriving capital markets industry.

SIPC's efforts in educating and protecting the rights of investors have resulted in an unparalleled record of success. The work of SIPC alongside of that of the SEC, self-regulatory organizations, and State regulators is critical in maintaining investor confidence.

As you know, SIPC was established back in 1970 to help restore public confidence in the securities markets. This was a turbulent time in our financial history with hundreds of broker-dealers merging or going out of business. Since its formation it has effectively executed on its mission of restoring funds to investors with assets in the hands of bankrupt or otherwise financially troubled broker-

age firms. Over this period, they have protected no fewer than 99 percent of eligible persons and have advanced $505 million in order to recover $15.7 billion for an estimated 626,000 investors.

In conclusion, the brokerage business is a highly competitive environment with increasingly tough regulatory requirements. These dynamics will require firms to invest in their infrastructure in order to realize required efficiencies and a sound operating model.

Should I be fortunate enough to be confirmed by the Senate, I am committed to diligently working with this Committee, the Board, and the professional staff at SIPC to closely monitor and anticipate the challenges in the securities industry and secure sufficient but responsible funding to perpetuate the important mission of the corporation. There should be no question in investors' minds that SIPC is well run, operating with a stable financial structure, and prepared to execute on its legislative mandates.

Mr. Chairman and Senator Allard, that concludes my remarks and I look forward to answering any questions you may have. Thank you for your attention and your consideration.

Chairman DODD. Thank you very much. Mr. Shelton.

STATEMENT OF MARK S. SHELTON, DIRECTOR-DESIGNATE, SECURITIES INVESTOR PROTECTION CORPORATION

Mr. SHELTON. Good morning, Mr. Chairman, Senator Allard.

I am honored to come before you today to seek your consent as the President's nominee to serve as a Director of the Securities Investor Protection Corporation. In private practice at Wilmer, Cutler and Pickering, I provided legal advice to broker-dealers regarding compliance with financial responsible rules designed to prevent customer securities and cash balances from being put at risk if a broker-dealer were to fail.

I presently serve as General Counsel of the U.S. Wealth Management Business for UBS. UBS is a leading global wealth manager, top tier investment bank, and one of the largest global asset managers. Wealth Management U.S. provides brokerage, advisory, banking, and trust services to its clients.

At UBS, I have had the opportunity to help investors understand how our securities markets work and to prepare employees to speak about the rights and protections available to investors when they advise clients. I believe my background and the relevant legal framework and focus on investor education and protection will be helpful if I am confirmed.

SIPC plays an important role for investors. Every investor should understand that rewards from investing in securities are only possible with market risk. But investors should be able to expect that their funds and securities will be there if their brokerage firm fails. SIPC gives investors confidence that if a firm were to fail and securities were stolen, misplaced, or put at risk for other reasons, help is available to them.

If confirmed as a Director of SIPC, I promise the President, this Committee, and the investing public that I will use my knowledge, experience, and skills combined with commitment and enthusiasm to maintain and strengthen SIPC's effectiveness for investors.

Thank you for your time and consideration and I will be happy to answer any questions you may have.

Chairman DODD. Thanks, Mr. Shelton. Mr. Heyman.

STATEMENT OF WILLIAM HERBERT HEYMAN, DIRECTOR-DESIGNATE, SECURITIES INVESTOR PROTECTION CORPORATION

Mr. HEYMAN. Good morning, Mr. Chairman, Senator Allard. My name is William Heyman and I am Vice Chairman and Chief Investment Officer of the Travelers Companies, a major U.S. property and casualty insurer. I am also a member of the Board of Governors and of the Executive Committee of the NASD.

I am honored to have been nominated by President Bush to be a Director of the Securities Investor Protection Corporation.

From 1991 to 1993, when I served as Director of the Division of Market Regulation of the Securities and Exchange Commission, I was the SEC's observer on the SIPC Board. So I am especially pleased at the prospect of renewing that association.

Since the creation of SIPC in 1970, industry consolidation and the advancement of back-office technology have largely eliminated the paperwork problems from which SIPC was born, with the result that some very large brokerage firms have failed without requiring SIPC involvement. The incidence of broker-dealer failures has been further limited by vigorous enforcement of two SEC rules. The Net Capital Rule provides early warnings of broker-dealers' financial distress. The Customer Protection Rule requires firms to reduce the possession and control fully paid or excess margin customer securities and to segregate cash in a reserve account roughly equal to net amount owed customers.

The number of ongoing SEC liquidation proceedings is now at a record low of 21 firms and the customers in those proceedings have, with very few exceptions, been satisfied. Most of the work in open cases relates to recovery of residual assets of failed firms.

Still, small numbers of broker-dealers regularly fail under conditions requiring SIPC involvement. These failures generally result not from adverse market conditions but rather from failure to operate competently or honestly. About half are so-called introducing firms, which should not have been handling customer assets in the first place.

So SIPC still has an important role as a limited safety net for the individual investor whose protection is at the heart of our securities laws. If confirmed as a Director, I pledged to use my experience in both the securities and insurance industries to ensure that SIPC continues to meet its responsibilities as expeditiously, professionally, and fairly as possible and without recourse to the taxpayers.

I thank you for your consideration and I will be pleased to answer any questions.

Chairman DODD. Thank you very much. Thank all of you for that. Congratulations to all of you, again, for your nomination. I will just take a couple of minutes and then I will turn to my colleague for any questions he may have as well here.

Some of these are just pretty straightforward questions.

Ms. Farrell, let me just begin with you, and I thank you for your opening comments and your focus of attention here.

One of the key things over the years in my experience here, beginning when I first arrived in the Senate, is that the Export-Import Bank was almost the exclusive domain of several large corporations that used the Export-Import Bank to expand their opportunities overseas.

Over the years, under various administrations and various directors, the Export-Import Bank has expanded that to include a lot of smaller businesses, as well. And I think we have all benefited from that.

In fact, I think it has become the backbone of our economy. Obviously, in many ways, small businesses is most important, 80 percent I think is the number of their jobs are small businesses. I wonder if you might just share with us some thoughts you have on what role you can play in maintaining this focus on smaller businesses and any ideas you might have to share with us about how you expand those?

Ms. FARRELL. I think that is a wonderful question and I actually look at my qualifications as being particularly strong in that area, simply because having worked at the local level these have been the individuals that I have been worrying about, caring for, and advocating on behalf of at every level, whether it is locally, whether it has been regionally, or statewide or federally.

As I mentioned in my opening remarks, I was very pleased to see the marketing efforts that were taking place, as evidenced by the Bank's annual meeting back in April.

I was also very pleased to read in the annual report this year that there has been a greater effort at improving the Bank's online capabilities, because there is no question in this world of Internet immediacy, the more the Bank can do to streamline the process and make it available online, it is going to be that much easier for smaller groups who just do not have staff resources or have the ability to have a direct contact with the Bank to access.

One of the other things that I like about the whole notion of focusing on small business, and I do think it was appropriate that in the reauthorization there were certain specific levels set by the Congress in order to assure that it remains a focus of the Bank, including requiring that there be a separate division that reports directly to the Chairman, is to make sure that we are providing the kinds of tools that are easy to understand and that we are reaching out.

So toward that end, I certainly intend to provide the kind of oversight but also the kind of advice that I can give in terms of how I think we can best communicate and reach out.

So I am very excited about that. And you are 100 percent correct, when you look a growth factors in terms of U.S. business, small business is extremely important, especially as it relates to women-owned businesses and minority business, as well.

Chairman DODD. Good. I look forward to working with you on that.

Mr. Rafiekian let me ask you, you have been at the Bank obviously and an ongoing issue is always how we compete more effectively in these emerging markets. And it is a challenge all the time. Let me raise, if I can, a couple of questions with you in the context of that and ask you to comment on how you think we can more ag-

gressively level the playing field that we have to compete in in these emerging markets.

I particularly want to raise the issue of China, if I can, with you here. The Bank focuses obviously on doing business in emerging markets, including China. The Banking Committee has conducted, this Committee, several hearings on our trade policy with China.

Senator Shelby and I have introduced some legislation on the issue pertaining to China's currency manipulation and denial of access to its markets by U.S. financial service firms. I am sure you are aware of all of this. What do you think the Eximbank can do to expand opportunities for U.S. exporters in China?

Mr. RAFIEKIAN. Thank you, Mr. Chairman. That is a very important question, sir, and I certainly understand the interest and the focus on emerging markets and the significance of emerging markets.

When it comes to the particular market of China there are realities that we must consider in providing financing for exporters to China. We had the Chairman of China Eximbank as a speaker at our annual conference to directly learn the views and he had an opportunity, Chairman Li, to express his views.

As we look at China, we see the opportunities for American exporters there. We also see the challenges that we might consider in making these difficult decisions. At all times the portion of the responsibility that deals with the financing part, which is really our mission, is going to remain our focus.

I would like to borrow a few words from my good colleague, who is the Chairman of the Bank, that said we do whatever we can in what makes the most sense to help the exporters in all markets. We are active in 91 markets and our portfolio reflects 150 countries, and we continue that support for the exporters with an eye of caution on what is also taxpayers' interest.

Chairman DODD. Let me, in a related matter, you are familiar with the tied aid issue. I know my colleague from Colorado does as well here, the question. We have a war chest, I want to call it that, I guess, at the Bank here to provide an opportunity for the United States to compete. A number of nations who compete with us in these markets, of course, provide grant assistance for various projects. And we have allowed, at least when that occurs, for us to be able to compete on a level playing field.

I gather it has been some time since that war chest has been used at all, the tied aid program. I wonder if you might share with us what is your knowledge about that? Is there any reason why there is a reluctance and hesitancy?

Obviously, we would all like—we would like the playing field to be leveled to the point where you did not have to have grant aid coming in. But as you and I both know, there are nations out there who play by a different set of rules when it comes to competing in these emerging markets.

So the tied aid idea was to give us the opportunity to respond when those nations used grant aid as a way of winning some of these contracts over our businesses who had a vested interest obviously in winning those contracts.

Why has there been such a reluctance to use the war chest? I gather it has been some time since we used the tied aid package to assist U.S. businesses.

Mr. RAFIEKIAN. Thank you, Mr. Chairman. That is a very important question. When it comes to tied aid among the difficult situations that we face, the decisions that we have to make as members of the Board of Directors, tied aid questions are amongst those questions.

I must express to you, sir, that my first sensitivity is to the exporter. I see my role as being assigned the duty of supporting the exporter in any way we can in what makes the most sense. And when it comes to tied aid, my sympathies are with the exporter. I would like to do whatever we can and I would like to see whatever Eximbank can to make that export possible so American jobs are protected and American jobs are maintained.

Having said that, we work very close with the Department of Treasury on this issue to make sure that within all the rules within OECD, which we do have a membership, and there are product rules, there are country rules, there are concessionality rules that have to be followed. This is a very important issue when it comes to tied aid, as you said, in leveling the playing field not all players in this marketplace of global market play by the rules. We realize that outside of the sandbox that we operate in there is a world and there are those who have other systems that do not always play by the rules.

Chairman DODD. Do you know when the last time was we used the war chest? Do you have any idea when the last time was?

Mr. RAFIEKIAN. I do not have that information, Mr. Chairman, right now but I am aware that the tied aid is not used regularly.

Chairman DODD. Would you let the Committee know? For my purpose, I would like to know when the last time it was used. It would be helpful to us to get some idea.

And if there is some reluctance beyond the hesitancy that we all have, but beyond that, I would like to know whether or not there is something broader going on in terms of the use of that fund, if you could do that for me.

Mr. RAFIEKIAN. Mr. Chairman, if I may, I will return to your office with that information. I will be happy to get that detail.

Chairman DODD. I appreciate that.

Let me turn to my colleague and then I will have a few questions for our SIPC nominees.

Senator ALLARD. Thank you, Mr. Chairman. I just have a few questions myself that I want to follow up with.

Both Mr. Rafiekian and Ms. Farrell, I want to thank you for wanting to serve on the Export-Import Bank. We have worked hard to try and get an inspector general in place and I would like to hear both your comments as to how you feel you may be able to work with the new inspector general. I know that Ms. Farrell made some comments in that regard in her opening statement. But particularly I would like to hear what you have to say, Mr. Rafiekian.

Mr. RAFIEKIAN. Thank you, Senator Allard.

Senator, when I came before you in September 2006, I particularly appreciated the emphasis that was placed on the presence of an inspector general at the agency I serve. I am very pleased, sir,

and I would like to thank you for your efforts and now we have an inspector general. And I look forward to the arrival of the inspector general. I look forward to working closely with the inspector general.

I have had a brief conversation with him and as it turns out, Senator Allard, upon arrival I was asked to take on the responsibility to work on the Audit Committee as the Chairman of the Audit Committee. We have been, together with my colleagues on this Committee, very diligent on the issues that I know are very important to you, sir, and to the members of this Committee.

I value very much the presence of the inspector general at the agency and I can speak on behalf of my colleagues on the Audit Committee and my colleagues on the Board of Directors. They are all welcoming this opportunity, sir, and thank you for your efforts in helping to get the inspector general to our agency.

Senator ALLARD. Ms. Farrell.

Ms. FARRELL. I am a big believer in internal audits. When I was the First Selectwoman of Westport we were constantly auditing because we were doing major construction projects that required certain audits, et cetera. But there is no question that I think there is a benefit to management, even if they initially resist the idea that there is someone else looking over the shoulder.

There is an assurance to the taxpayer that things are being properly monitored. I think there are benefits, as I mentioned, to management, because I think there are opportunities to point out, anomalies, difficulties, challenges, whatever they happen to be. And I think that the autonomy of the individual is very, very important.

So I certainly supported, as I was reading through the legislation that was proposed and ultimately passed by the Congress, the notion of doing this.

And as I mentioned, having been on both sides, having served on the Board of Finance and having to have the auditors directly report to me, but having that distance or independence from management. And then going over to management, I felt it was extremely important to have understood both sides.

So I think in my role as a non-management member of the Board, I will have that sensitivity and empathy for both sides and certainly will be supportive of both. But in the name of the taxpayer, I think it was a very important step for the Congress to initiate and for the Bank to adopt.

Senator ALLARD. The next question I just pose to the entire panel. The Congress, in the early 1994–1995 passed what we call the Government Performance and Results Act. The Clinton administration would begin to put that in place. The current administration, Bush, has continued to work it. He has called it the PART program. You can access the PART program on the Internet if you go to ExpectMore.gov.

I will look at that from time to time to see how the various agencies are performing. They will rate the agencies according to whether they are effective, somewhat effective, ineffective or are not trying to measure—there is no result available.

The Export-Import Bank is rated as moderately effective, so there is room for improvement. I suspect that the shortfall or most

of that moderately effective comes because they are looking at the small business goals. The Chairman mentioned the importance of small business, you have looked at that.

So I just hope that you look at that very closely. And I just wonder if you have any ideas on what we can do on the small business side to make those goals achievable?

Mr. RAFIEKIAN. Senator Allard, I recognize how important small businesses are. As a former small business owner, I know the challenges of a small business first-hand. I lived that life and tried to create jobs and tried to maintain them and explore new markets. It is very difficult for a small businessperson because the small businessperson is always faced with challenges of scarcity of resources in a different scale than I mentioned that would be comprehended by those with bigger resources.

When it comes to small business authorizations, I am very pleased to report, as it has been reported before, that last year 26 percent of our total authorizations were comprised of support for exporters and small businesses. When it came to numbers, 84 percent of our authorizations were dedicated to small business.

Today the small business portfolio, under the direction of my colleague Director Conlin, who is also the Vice Chair of the Bank, is placing ever greater focus on this issue with reaching out to small businesses, conferences, seminars, working with other agencies to reach out.

I am very pleased to say, Senator, that I got a chance to participate in support of the portfolio for small business and traveled to other States to meet with the small businesses to understand their needs and do what we can to expand our city-state partnerships, which plays an important role as a conduit to small businesses for us. And that emphasis and focus is continuing in importance.

I would like to thank you and members of the Committee for focusing our attention on this issue.

Senator ALLARD. Thank you.

On the SIPC Corporation, your efforts and what you are doing is obviously very, very important. And when we looked at your listing on the PART, they do not list you. I think it will be just a matter of time before you will be reviewed by OMB. That is the independent agency that will review all these as to whether you are compliant.

I assume that you are setting goals and objectives that are measurable and, if not, perhaps maybe encourage you to, as being responsible for the oversight on that, to encourage the Corporation to go ahead and set up measurable goals and objectives so you can determine how your outcomes are coming and everything else.

You seem to have a very good record right now. I think that is good. That is perhaps maybe why somebody has not taken a closer look at you at this particular point.

But I do think that, again, an important part of that is the relationship between the Securities Investors Protection Corporation and the State regulators. The States play a key role in regulation of the security brokers.

I would like to have you talk a little bit about how you see that relationship and how you might build that into measurable goals and objectives.

Mr. HEYMAN. If you look at the menu of SIPC liquidations, many of the firms in recent years have been small firms with highly localized businesses. And the result is that, in many cases, they are repeat offenders with whom State regulators are much more familiar than SIPC could be. And SIPC has cooperated vigorously with State regulators in sorting out the firms, recovering customer assets and, in several cases, in State enforcement actions.

My guess is going forward firms in liquidation will continue to be mostly firms of that character.

Senator ALLARD. Any other comments?

Mr. SHELTON. I think the State regulators play a very important role in prosecuting fraud. I think the Federal regulation is also very important for the books and records. And the cooperation with the SEC and with the SROs, to be able to have the books and records available to prove that customer funds and securities, where they are, and that they have not been used improperly in the business has been a very important part of SIPC's protections.

Senator ALLARD. Mr. Jasien.

Mr. JASIEN. Senator, in your opening comments you talked about results over process and that is done through familiarity and compliance. I could not agree more. Also with your comments around setting milestones.

As a board, I eagerly look forward to engaging with the issues of the Board, looking at some of the milestones that we could set for the Board. One of the things I am most impressed with in talking to staff at the SIPC is their focus on education. I think that is a gap right now in the general public's understanding of SIPC and brokerage firms' understanding the role of SIPC. So I look forward to working with the Board and this Committee in setting those milestones, particularly around education.

Senator ALLARD. Mr. Chairman, my time has run over a little bit here by 3 minutes. I have one more question.

Chairman DODD. Go ahead.

Senator ALLARD. This has to do with the financial markets moving more to global issues and how they are faced. More and more of our national trade and everything is becoming more global. So I see that this is going to create some perhaps problems as the SIPC protection is concerned.

Do you see SIPC protection—obviously, it does not apply in all cases—but do you believe that their mission and coverage should be re-examined in light of the expanded global nature of our financial markets? Or do you believe it is appropriate as they are currently structured?

Mr. HEYMAN. I think that the mission of SIPC as it is currently defined is capable of being carried out in an environment in which the investments of U.S. individuals are increasingly global in nature. SIPC applies to identifiable customer assets in certificated form which can be U.S. or non-U.S. issuers.

And I think the statute and the function of the organization are pretty robust.

Senator ALLARD. Anyone want to add to that? Mr. Shelton or Mr. Jasien.

Mr. SHELTON. I agree that so long as SIPC's protections are limited to the assets that are readily identifiable that are with a U.S.

broker-dealer, I think that it is perfectly adequate and that it is not significant that some of those assets may be foreign assets.

Mr. JASIEN. I agree that we certainly have the proper infrastructure today. But as I stated in my opening comments, I think it is important for us to make sure we monitor the outlook of the securities industry. There is certainly an exciting global evolution going on that we need to keep a very close eye on to see if that does impact funding needs for SIPC and other matters that are just not on the radar screen at this time.

Senator ALLARD. Mr. Chairman, that concludes my questions. Thank you.

Chairman DODD. Thank you very much, Senator. Let me thank you for the questions.

I want to just raise a couple of issues if I can for you, and these are pretty fundamental but I would like to have you on record for them.

This is a part-time appointment and I understand that all of you will probably be continuing in your day jobs here as you fulfill this obligation and responsibility. What I am asking is whether or not you have had discussions with SIPC on how to handle possible conflicts of interest in this regard that might arise because of your current employment or board memberships, including circumstances which may require your recusal because of those conflicts?

Previous SIPC directors have signed conflict of interest agreements with SIPC. Is it your intention, I would ask all three of you, to do so as well?

Mr. HEYMAN. Yes.

Mr. JASIEN. Yes.

Mr. SHELTON. Yes.

Chairman DODD. You are all nodding affirmatively.

A key issue to the effectiveness of SIPC is maintaining the adequacy of the SIPC fund reserve. As of December 31st, the reserves were almost $1.4 billion for securities firms that hold some $3 trillion in investor securities. Now that is a wide gap obviously here.

But there have been very few failures in recent years. And even in those cases most of the securities and cash have been recovered. So while the gap seems large, I think many assume that that number has actually been fairly adequate given recent past history. But I think it is important to monitor the adequacy of SIPC fund reserves in light of the contemporary market conditions.

From time to time SIPC has commissioned studies analyze the adequacy of the fund reserves. Let me ask all three of you whether or not you would undertake to have SIPC continue to review the adequacy of the fund periodically? I presume you would.

Mr. HEYMAN. Yes.

Mr. JASIEN. Yes.

Mr. SHELTON. Yes.

Chairman DODD. You are nodding affirmatively on that, as well.

We have also—these internal financial controls at SIPC, there were some issues that GAO reported on. I do not know if you brought this up or not. But the GAO in 2004 raised some issues concerning SIPC and stated that the SEC found that SIPC had inadequate internal controls over the fees and expenses awarded to trustees and their counsel.

Now since then SIPC has done a good job of cleaning that up. I just point that out. That was the report back in 2004. four.

As directors here, I am going to ask you whether or not you would seek to maintain strong internal financial controls at SIPC? Many organizations have voluntarily taken additional steps and I am asking you, if confirmed, would you consider whether it would be beneficial to have SIPC management annually prepare a report assessing the effectiveness of SIPC's internal control procedures and to have the auditor attest to the adequacy of internal controls and to publish those in SIPC's annual report? Would you be willing to do that?

Mr. HEYMAN. Yes.

Mr. JASIEN. Yes.

Mr. SHELTON. Yes.

Chairman DODD. Thanks very much for that.

We have raised the education issue here, as well. And again, I would just take it from your answers that you support the importance to inform investors about the scope of SIPC coverage and enforcement efforts to protect investors from misleading advertisements. There have been several here.

I think I have a pretty good idea in here what qualifies as the kind of thing you want to avoid and things that do not fall under your jurisdiction. Making a bad bet is making a bad bet. That is not what we are talking about here. We are talking about the kind of activities that can draw people in under false pretenses.

So I presume you will continue to work at that and look at that, as well?

Mr. HEYMAN. Yes.

Mr. JASIEN. Certainly.

Mr. SHELTON. Yes.

Chairman DODD. Thank you very much.

And again, I will heave the record open for a few days here so our colleagues may have some additional questions. But again, I congratulate all of you on your nominations. It is very nice to have your families here with us on a day like this, as well.

These are high honors to receive a Presidential nomination and confirmation by the Senate. And again, we will try and get this done as quickly as we can for you. My hope is to have you confirmed by—I think in your case, Mr. Rafiekian, you have got an August 1——

Mr. RAFIEKIAN. Mr. Chairman, my commission expires on July 20th.

Chairman DODD. July 20. We have got to get moving here so we do not have to have you show up as a volunteer down there at the Bank. So we will try and move quickly on this to get it done.

But again, I thank you for being here. I thank you for your comments. We will leave the record open for, I think, a couple of days anyway, two or 3 days here for any additional questions that will come in.

The Committee stands adjourned.

[Whereupon, at 10:01 a.m., the hearing was adjourned.]

[Prepared statements, biographical sketches of the nominee, and responses to written questions supplied for the record follow:]

Testimony of Bijan Rafiekian
Member, Board of Directors, Export-Import Bank of the United States
Senate Committee on Banking, Housing and Urban Affairs
July 11, 2007

Thank you Chairman Dodd, Senator Shelby, and Members of the Committee. I am most honored and grateful to be here before you today. With your permission, I would like to introduce my family. My wife of twenty five years Gissou, my daughter Christine who is a sophomore at the American University studying law and society and international service and my daughter Alexandra who will be a freshman at Churchill High School.

I am most grateful to President Bush for re-nominating me and granting me the greatest honor of my life with the opportunity to serve my country, The United States of America, as a member of the Board of Directors of the Export-Import Bank of The United States.

With nine months of service in this capacity, I have developed an understanding of the Bank's operations and mission. I have been fortunate to work closely with the most talented and dedicated professional staff at the EXIM Bank and I would like to express my appreciation for their hard work in support of American exporters and their contribution to maintaining and expanding U.S. jobs through exports. Serving together with my distinguished colleagues on the board of directors and carrying out the policies articulated by the Congress of The United States has been a privilege and a point of personal pride for me.

Mr. Chairman, when I came before this *(honorable)* committee in September 2006, I testified that if confirmed, I would do my very best to carry out the prudential and fiduciary responsibilities of the office I was nominated to serve. It is with humility and a great sense of appreciation for the trust and confidence you placed in me and it is with personal pride that I am here today to present to you that I have kept my promise in my capacity as a member of the board of directors of the Export-Import Bank of The United States. I applied my experience with diligence to make certain that as we eagerly and aggressively fulfill our mission to support American exporters and U.S. jobs, the interests of U.S. taxpayers are protected.

In addition to carrying out the duties of the office I serve on the board of directors, I have also served as the chairman of the audit committee of the board of directors. Together with my colleagues, members of the audit committee, overseeing the work of independent internal and external auditors, I have made certain that we provide continuous examination and scrutiny of the adequacy of safeguards and systems of internal control to ensure the continuity of safety and soundness of the operation of the Bank in an independent fashion.

In addition to my work on the board of directors and my responsibility as the chairman of the audit committee, I also serve as an ex-officio member of the credit committee of the bank representing the board of directors on this committee. My work on this committee has afforded me the opportunity to observe the competence and dedication of professional staff members of the credit committee and the opportunity to apply my experience and contribute to the work of the credit committee.

I have worked closely with our Small business division to expand our reach and support for small businesses and have actively participated in expanding our city state partnerships in support of small businesses. I have worked with my colleagues at the Department of Commerce and Trade Development Agency to do more for the services sector within the frame of our charter and authorizations.

Mr. Chairman, Members of the Committee, I am here today to testify that if confirmed, I shall continue my work in carrying out the responsibilities of the office I am designated to serve with the same degree of diligence, care and dedication and with the same vigor as I have in the past nine months. I am here to testify that if confirmed, I shall uphold the highest standards of integrity and prudence consistent with the honor and responsibility of the office I am designated to serve.

I am grateful to you for giving me this great honor to come before you today. In respect for your time, I keep my remarks brief and I welcome the opportunity to answer your questions.

Thank you.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: **Rafiekian** (Last) **Bijan** (First) -------- (Other)

Position to which nominated: **Member, Board of Directors, Export Import Bank of the United States**

Date of nomination: February 16th, 2007

Date of birth: January 15, 1952 (Day) (Month) (Year) **Place of birth: Tehran- Iran**

Marital Status: Married **Full name of spouse: Gissou Rafiekian**

Name and ages of children:

1- Beeta Christine Rafiekian, 18

2- Rana Alexandra Rafiekian 13

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Brighton University Sussex, England School of Management	1978-1979	DMs.	June 1979

Please see attached personal and professional profile.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

-Was admitted as a member of the British Institute of management. 1979
-Award of Honor, Who is Who Historical Society
- Recognition Award by California State University, Dominguez Hills
- Award of recognition by the Iranian American Republican Council
- Republican Presidential Order of Merit, recipient of the Legion of Merit Medal of the Republican Presidential Order of Merit.
- Honorary Aviator, United States Navy, U.S.S Constellation

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
1-Technet	member	1999-2004
2-World Affairs Council, Orange County	Trustee. Vice President (former)	1991-present
3-Iranian American Republican Council	National President	elected 3 times, 1995-2003 and 2004
4-American Foreign Policy Council	Senior Associate	2005-present
5-Center For the Promotion of Democracy and Human Rights	Board member	2005-2006
6-California Republican Party	member, executive committee	1995
7-Orange County Volunteer Center	Board member	1994-1995
8-California Center for Commercial Diplomacy	Executive Director	1997-1999

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Employer name	*Position*	*Dates*	*Location*
A- Export-Import Bank of The United States	*Member, Board of Directors*	*Oct. 2006-Present*	*Washington DC*
1- Aeon Group LLC.	*Board member, COO*	*May 2005- August 2006*	*Los Angeles*
2- Lenders Technology Inc.	*Chairman of the Board*	*September 1986-2006*	*Orange County, CA*
3-Global Capital Markets Inc.	*Principal*	*1997-2006*	*Orange County, CA*
4-Globtel Group of Companies	*President/Managing Director*	*2000-2004*	*San Diego, CA*
5-Stock 100 Inc.	*President, CEO*	*1999-2000*	*Orange County, CA*
6-NXIS, LLC.	*Chairman of the Board*	*1998-1999*	*Orange County, CA*
7-Orange County Business Council Credit Union	*Board member*	*1994-1995*	*Orange County, CA*
8-State of California Office of Foreign Investment	*Director*	*1995-1997*	*Sacramento, CA.*
9- State of California Housing Finance Agency	*Director*	*1998-1999*	*Sacramento, CA*
10- Shearson/American Express	*Vice President, Director*	*1984-1986*	*Newport Beach- N.Y.*
11- Great American Bank	*Assistant Vice President*	*1980-1984*	*San Diego, CA.*
12- California Industrial Relations Institute	*Co-founder/senior advisor*	*2004-2005*	*Orange County, CA*
13- USEXIM LLC.	*Board member*	*(dissolved 2004)*	*Los Angeles*
14-National Asset Resources Inc.	*Chairman of the Board*	*1989-1990*	*Orange County, CA*
15- California State University Fullerton	*Adjunct Professor, Finance*	*1991-1993*	*Orange County, CA*
16-California Center for Commercial Diplomacy at California State University, Dominguez Hills	*Executive Director*	*1997-1999*	*Orange County, CA.*

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

A- Export-Import Bank of The United States, Director October6, 2006- Present

Chairman, Audit Committee of the Board of Directors of the Export-Import Bank of The United States

Ex-Officio member, Credit Committee of the Export-Import bank of The United States

1-State of California Office of Foreign Investment	*Director*	*1995-1997*	*Sacramento, CA.*
2-State of California Housing Finance Agency	*Director*	*1998-1999*	*Sacramento, CA*
3- State of California Governor's Economic Development Advisory Council	*member*	*1994-1995*	*Sacramento, CA*
4-United States Small Business Administration, National Advisory Council	*member*	*2006*	*Washington DC*

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

1- *Academic (course material) titles Risk and Capital at California State University, Fullerton.*
2- *Various articles and speeches on political campaigns (Bush Cheney 2000) and Bush Cheney 04.*
3- *Various speeches on foreign trade, risk and capital.*

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

1- *Bush/Cheney 2000: Orange County Volunteer Chairman*
2- *Bush/Cheney 04: Co-Vice Chairman, State of California*
3- *Bush/Cheney 04: Member, State of California Steering Committee*
4- *Governor Pete Wilson Senatorial Campaign*
5- *Governor Pete Wilson Gubernatorial Campaign*
6- *Iranian American Republican Council (A chartered Organization of the Republican Party) Elected National President three times, 1995-2003 and 2004.*

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

1- *President George W. Bush, $2000, 6-30-2003*
2- *George W. Bush for President $1000, 6/30/1999*
3- *President George W. Bush, $2000, 2004*
4- *Congressman Sensenbrenner, $500.00 . 9-28-2004*
5- *Dr. Phil Kurzner, $250, 2004*
6- *Bush Cheney 04, $500, 2004*
7- *California Republican Party, $65, 2003*
8- *Senator Sam Brownback $1000.00 2003*
9- *Congressman David Drier $500.00 October 2006*

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

30 Years of business, academia and government work experience in finance and banking.
Please see attached personal and professional profile.

Future employment relationships: 1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Yes. I have executed an ethics agreement to this effect.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I do not have any such plans.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes. I plan to do so.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I have no financial arangements, deffered compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which I will influence in the position to which I have been nominated.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

-My spouse's retirement 401 K plan includes investments in the common stock of Wachovia Bank. In my Ethics Agreement, to avoid any appearance of conflict of interest, I have agreed to abstain from discussions or voting on matters relating to Wachovia Bank which may come before the EXIM bank board. I have no other investments, obligations, liabilities or other relationships which might involve potential conflict of interest with the position to which I have been nominated.As of December 28, 2006, my spouse's 401 K plan with Wachovia was liquidated an transferred into a Rollover IRA depository account at Smith Barney. My spouse

resigned her position as manager of the Internal asset review department of Wachovia Bank on November 15th, 2006.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

-To the best of my knowledge, I have had no business relationship, dealing or financial transaction which might in any way constitute or result in a possible conflict of interest with the position to which I have been nominated.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

I have not conducted any lobbying activity.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

I shall abide by the provisions of the law, my ethics agreement and any regulations governing the conduct of the position to which I have been nominated.

Civil, criminal and investigatory actions:

1. Give the full derails of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

None.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

BIJAN R. KIAN
(RAFIEKIAN)
PERSONAL, PROFESSIONAL AND POLITICAL PROFILE

MEMBER, BOARD OF DIRECTORS

EXPORT IMPORT BANK OF THE UNITED STATES
OCTOBER 5- 2006-PRESENT

MEMBER
TECHNET
1999-2005

PRESIDENT
GLOBTEL GROUP OF COMPANIES
DECEMBER 2000- 2004

CHAIRMAN
LENDERS TECHNOLOGY INC.
WWW.LENDRSTECHNOLOGY.COM
1986- AUGUST 2006

PRINCIPAL
GLOBAL CAPITAL MARKETS, INC.
WWW.GLOBALCAPITALMARKETS.COM
1997-AUGUST 2006

PRINCIPAL, MEMBER OF THE BOARD OF DIRECTORS
Aeon Group LLc.
MAY 205-AUGUST 2006
DIRECTOR
STATE OF CALIFORNIA
OFFICE OF FOREIGN INVESTMENT
1995-1997

BOARD MEMBER
STATE OF CALIFORNIA HOUSING FINANCE AGENCY
1998-1999

COMMISSIONER/MEMBER
STATE OF CALIFORNIA ECONOMIC DEVELOPMENT ADVISORY COUNCIL
1994-1996

CO-VICE CHAIRMAN, STATE OF CALIFORNIA
BUSH-CHENEY 04

PRESIDENT
NATIONAL ORGANIZATION
IRANIAN AMERICAN REPUBLICAN COUNCIL
A chartered organization of the Republican Party
(Elected in 1995, 2003 and 2004)

Senior Associate
American Foreign Policy Council
Washington DC
2005-August 2006

SUMMARY:

BIJAN KIAN SERVES AS A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT IMPORT BANK OF THE UNITED STATES. NOMINATED BY THE PRESIDENT OF THE UNITED STATES ON JULY 20, 2006 AND CONFIRMED BY UNITED STATES SENATE ON SEPTEMBER 29, 2006. MR. KIAN IS THE FORMER DIRECTOR OF STATE OF CALIFORNIA OFFICE OF FOREIGN INVESTMENT, FORMER MEMBER OF THE STATE OF CALIFORNIA GOVERNOR'S ECONOMIC DEVELOPMENT ADVISORY COUNCIL AND FORMER BOARD MEMBER OF THE STATE OF CALIFORNIA HOUSING FINANCE AGENCY. HE IS AN INTERNATIONALLY RECOGNIZED PROFESSIONAL BANKER, BUSINESS EXECUTIVE AND EDUCATOR WITH OVER 25 YEARS OF EXPERIENCE IN TRANSACTIONAL AND OPERATIONAL AREAS OF DOMESTIC AND INTERNATIONAL BANKING. BIJAN HAS SERVED IN SENIOR EXECUTIVE ROLES IN CORPORATE PLANNING, FINANCE AND OPERATIONS. HE ATTENDED TEHRAN INDUSTRIAL COLLEGE AND IS A GRADUATE OF BRIGHTON UNIVERSITY IN SUSSEX , UNITED KINGDOM.

Board of Directors membership

1998- August 2006
Chairman of the Board of Directors
Lenders Technology Inc. www.lenderstechnology.com

1994-1995
Business Council Credit Union, Orange County California
Member of the Board of Directors

1998-2000
State of California Housing Finance Agency
Member of the Board of Directors

2005-August 2006
Aeon Group LLC.
Member of the Board of Directors
Chief Operating Officer

Experience

2000-2004
Globtel Group of Companies
President

1997-August 2006
Principal
Global Capital Markets, Inc.

1995-1997
Director
State of California Office of Foreign Investment

1994-1995
Member
State of California Governor's Economic Development Advisory Council

Bijan R. Kian (Rafiekian)
Page two

1986- 1994
Managing Director
Lenders Technology Inc. www.lenderstechnology.com

1985-1986
Vice President , Director of Planning
Shearson/American Express Mortgage Corporation

1980-1985
Assistant Vice President, Lending
Great American Savings Bank, San Diego, California

Academic

1991-1993
Adjunct Professor/lecturer, Finance
California State University, Fullerton

1997-1999
Director
California Center for Commercial Diplomacy
California State University, Dominguez Hills

Civic

1988- August 2006
Member, Board of Trustees
World Affairs Council, Orange County, California

1995
Greater Orange County Volunteer Center

Political

President, National Organization, Iranian American Republican Council (Chartered organization of the Republican Party)
Elected in 1995- 2003 and 2004

Volunteer chairman
Bush-Cheney 2000
Orange County, California

Co-Vice Chairman (member of State Steering Committee)
Bush- Cheny04
State of California

Bijan R. Kian
Page three

Education

1979
Brighton University, Sussex England
Post Graduate Diploma in Management Studies

1972
Tehran Industrial College
School of engineering

Bijan was sworn in as a director of the Export-Import bank of the United States on October 5, 2006. In addition to his board responsibilities, he also serves as the chairman of the audit committee as well as representing the board on the credit committee of the bank.

As Director of the State of California Office of Foreign Investment in the Administration of Governor Pete Wilson , Bijan R. Kian is the first Iranian American in the history of the Iranian Immigration to The United States to have been appointed or elected to direct Statewide Office.

He was first appointed and commissioned by Governor Wilson on March 25, 1994 as a member of the State of California Economic Development Advisory Council. In that role, he advised the Governor on formulation and implementation of economic development strategies for the State of California led by the Governor and the legislature which resulted in the great recovery of the State from its worst recession in 30 years and addition of over 500,000 new jobs to the state's economy. He was re-appointed to that post in 1995.

His ability to work effectively with business leaders and legislators combined with his performance in that role earned him his third appointment in 1995. Governor Wilson appointed him to head the State of California's Office of Foreign Investment, the state's leading office for attraction, retention and expansion of foreign direct investment with the largest portfolio of foreign investment ($86 billion) in United States and global operations with offices in London, Frankfurt, Mexico City, Tokyo, Taipei, Seoul, Hong Kong, Jakarta, Jerusalem and Johannesburg.

Under his direction, California's portfolio of foreign investment grew from $86 billion in 1995 to $92 billion in 1997. As the head of foreign investment for the world's sixth largest economy, he represented California Government on all matters relating to foreign direct investment with foreign governments, their consular corps and the heads of the largest corporations in Europe, Asia, Africa and the Americas.

After his return to private sector, he received his fourth appointment in State Government. Governor Wilson appointed him to serve as a member of the State of California Housing Finance Agency overseeing the operation of the State's $7.5 billion

five year housing plan. He served in that role until the change of Administration in January 1999.

Bijan R. Kian
Personal and Professional Profile
Page Two

Bijan R. Kian is an internationally recognized banker, businessman, educator and community leader. Formerly, he served as vice president and director of planning for Shearson/American Express responsible for nationwide operation in 38 states and Senior Division Officer for Great American First Savings Bank, a $16 billion financial institution in California, and a member of the board of directors of Business Council Credit Union in Orange County. Bijan began his career in banking and finance in 1972 with increased responsibility and executive role in the areas of project finance, trade finance, corporate finance as well as consumer and housing finance.

He is co-founder and chairman of Lenders Technology, Inc., a California bank consulting and advisory firm established in 1986, a principal at the investment banking firm of Global Capital Markets Inc., a west coast investment banking and mergers and Acquisitions firm and former President and CEO of STOCK100, a unique financial engineering and risk management company.

Since his return to private sector, he has served as an advisor to economic development organizations in Europe and Asia. In academia, he served as the Executive Director of California Center for Commercial Diplomacy at California State University, Dominguez Hills and has served as an adjunct professor of finance at California State University, Fullerton.

He is the president of the National Organization of the Iranian American Republican Council, a chartered organization of the Republican Party with over 2000 members and associates from chapters in California, New York, Texas, Colorado, Oregon and Washington DC.

He has served as a member of the board of trustees of the World Affairs Council of Orange County since 1991and is a former vice president of the Council, a foreign policy educational forum with over 1800 members comprised of business and community leaders in Orange County, California.

He is also a member of Technet, a national network of CEO's and Presidents of the nation's leading technology companies. TechNet's mission is to build bipartisan support for policies that strengthen America's leadership of the New Economy.

Bijan attended Tehran Industrial College and is a graduate of Brighton University in Sussex, England where he received his post graduate degree (with Honors) in management and economics and was admitted as a member of the British Institute of Management in 1979.

Bijan R. Kian
Personal, Professional and Political Profile
Page Three

As a Republican volunteer, he has served in three presidential, two Senatorial and two gubernatorial and other various congressional, state and local Republican campaigns. In 1995, he served as a member of the executive committee of the California Republican Party as well as a member of the Congressional Target and Finance Committees of CRP.

He served as a surrogate speaker for Governor Wilson on his gubernatorial and presidential campaigns. In that role, he took the Governor's message on economic development, taxation, regulation, legislative reforms and foreign investment to the business community in California and around the globe.

Bijan writes and speaks frequently on foreign policy issues and public diplomacy tools relating to the Middle East and particularly, Iran. Over the past 25 years, Bijan has been one of the most politically active members of the Iranian American community within the Republican Party in the United States.

He served the Honorable George W. Bush's campaign for President since June 29, 1999 and had the distinct honor of serving as the volunteer Chairman of Bush-Cheney 2000 campaign in Orange County, California. In that role, working closely with the Republican Party of Orange County and Victory 2000, he managed the volunteer activities in five Congressional Districts in Orange County. He spoke on behalf of the campaign at pre-primary events in Orange County, California sponsored by the Arab American Institute, Republican Women Federated Clubs and other campaign events sponsored by Hispanic, Asian and Iranian American Republican Clubs. He had the honor of taking the President George W. Bush's education message to ethnic communities through various interviews by radio and television stations in Los Angeles and Orange Counties. In 2004, he was once again given the honor of serving as the Co-Vice Chairman and a member of the State steering committee for Bush-Cheney04 in the State of California. Bijan served as president of GLOBTEL, an international telecommunications engineering, design, implementation and management company based in San Diego, California. Former residents of San Juan Capistrano, California, Bijan, his wife Gissou, and their two daughters, Christine and Alexandra live in Potomac, Maryland.

References:

- The Honorable Chairman Christopher Cox
- The Honorable Congressman Ed Royce
- The Honorable Senator Norm Coleman
- The Honorable Senator Elizabeth Dole

9820 Conestoga Way, Potomac, Maryland 20854
202-565-3502 Office
301-299-3360 Residence
202 725-4227 Mobile Government
858-449-8997 Mobile Personal

bijan.kian@exim.gov

Diane Farrell - Export Import Bank of the United States Directorship Nomination Testimony July 11, 2007:

Mr. Chairman, Mr. Shelby, members of the Committee and individuals here to witness the hearing this morning, it is great honor to appear before you as a nominee to the Board of the Export Import Bank of the United States. I am grateful to President Bush for this nomination, to Senator Harry Reid for his support and most especially to my great friend Chairman Dodd for convening this hearing. He has represented our state and led the nation on so many issues vital to our citizenry. It is equally an honor to have my friend Jackie Clegg Dodd here in attendance. As former Vice Chair of the Export Import Bank, her knowledge of international trade and export finance has been an invaluable resource.

As important as all are who are in this room, the most important person in my life, my husband of 29 years Win Farrell is here. A wonderful father to our two daughters Hilary and Margaret, Win has always allowed me to pursue my interests where ever they have taken us - both literally and figuratively. Words do not exist in *any* language adequate enough to say "thank you".

When the opportunity to serve as Director of the Export Import Bank was first raised, I was instantly excited. The principal of partnership and a personal philosophy that government should act in an assisting role to the marketplace whenever possible helped to guide my years as the chief elected official of my community. In eight years in office, I worked closely in a supportive role with commercial interests of all sizes. Fairfield County Connecticut is home to numerous Fortune 500 companies as well as small business. The Business Council of Fairfield County and the Chambers of Commerce in the cities and towns in our area are proactive organizations that eagerly reached out to area elected officials as a means to multi dimensionally strengthen the region. Cooperative efforts including transportation, housing, homeland security and infrastructure improvement are some of the more prominent initiatives that I was involved in during my tenure in office. Should I be confirmed to the Board of Directors at the Ex-Im Bank, I would intend to carry forward the public private partnership philosophy as part of the Ex-Im Bank's leadership.

I had the opportunity to attend the Ex-Im Bank's annual meeting this past April and was very impressed to see the cooperative spirit between government and the private sector. Having come from the account management side of advertising prior to my years in public service I was pleased to see such strong efforts on behalf of the bank to actively market its products to lending institutions and their clients. I would expect to employ the skills I honed in the advertising industry as a Director on behalf of the Ex-Im Bank where I can be helpful. Acknowledging the emphasis that Congress has asked the Ex-Im Bank to place on small business support, I would hope to play a leadership role in that effort.

Having managed a municipality for eight years well suits me to understand the complexities and unique nature of government institutions. Prior to becoming First Selectwoman, I served on the Board of Finance. These two experiences in combination give me the perspectives of both management and oversight. As one of the non-managing

members of the board I will be serving as part of the Audit Committee. This is a very familiar role for me as it was a function of the Board of Finance. I take special note the Bank will, for the first time have an Inspector General. Independent internal audit functions can be extremely helpful to management and I would lend my support to assist and support the additional oversight sought by Congress.

What perhaps attracts me most to the Ex-Im Bank is its mission to promote U.S. commercial interests in the global marketplace with the priority of retaining jobs here at home. The issue of losing jobs overseas is ever present in the minds of our country's citizens and leadership. To be able to actively help companies compete, to retain jobs and promote new industries will be a most rewarding and satisfying endeavor.

There is a wonderful motto that I learned in Girl Scouts many years ago, "a girl scout leaves a place better than she found it". It may sound a bit too folksy here in such august surroundings but it speaks volumes to the kind of person I have always tried to be – to make a difference. Should I be confirmed, I look forward to putting my experience, training and energy to work on behalf of the Export Import Bank. I am eager to make a positive contribution.

It would be a great honor to serve my country in this capacity.

Mr. Chairman, Mr. Shelby and members of the Committee, thank you again for the opportunity to seek your support of my nomination. I look forward to any questions you may have for me.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: **Farrell** (Last) **Diane** (First) **Goss** (Other)

Position to which nominated: Director, Export Import Bank of the United States

Date of nomination: 5/24/07

Date of birth: **10** (Day) **8** (Month) **55** (Year) **Place of birth: New Rochelle, New York**

Marital Status: Married **Full name of spouse: Karr Winslow Farrell Jr.**

Name and ages of children:

Hilary Ann Farrell (2/20/83)

Margaret Carpenter Farrell (11/8/86)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Wheaton College Norton, Massachusetts	**9/1973-5/1977**	**B.A. American Government**	**5/1977**

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Girl Scouts Citizenship Award 2002
Rotary International - Paul Harris Fellow 2003
Anti Defamation League – Upper Fairfield County Distinguished Leadership Award 2003
Boy Scouts of America Citizenship Award 2004
Woodland Coalition Environmental Gold Award 2004

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
CLASP Board (group homes for the mentally impaired in Westport CT)	**Director**	**2005 – present**

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment

Leadership Experience

- **First Selectwoman, Westport, Connecticut,** *1997-2005*
  - Served as both Chief Elected Official and Chief Executive Officer: *("strong mayor" form of government - no town manager)* – First person to be re-elected in 25 years.
  - Fiscally prudent, kept increases in multi-million dollar town budgets within the CPI while delivering quality municipal services. 2005-2006 municipal (non-education) budget: 50.3 million.
  - Managed over 250 full-time and 100 part-time/seasonal employees and six bargaining units.
  - Maintained Moody's Aaa bond rating.
  - Refinanced 2 bond issues – saved $1.5 million.
  - Member of town bond committee, sold in excess of $100 million.
  - Oversaw development of first Comprehensive Annual Financial Report (CAFR).
  - Built and refurbished 5 schools, significantly improved other town infrastructure.
  - Provided tax relief for seniors in the face of increased school expenses.
  - Organized and conducted numerous meetings of fellow chief elected officials to discuss regional issues including, economic development, homeland security and tribal recognition.
  - Represented Westport in Yangzhou, Jiangsu Province, People's Republic of China at the 10th Anniversary commemoration of their Sister City relationship.

- **Regional, State and National Leadership** *2002-2005*
  - Chair *(elected)*, Metropolitan Planning Organization Southwestern Planning Agency.
  - Connecticut Conference of Municipalities, Board Member: reviewed and approved annual budgets.
  - National League of Cities, Transportation and Infrastructure Steering & Policy Committees.
  - United Nations Hospitality Committee: Served in numerous positions to the longest serving United States-United Nations Association in America.

- **Board of Finance, Member, Westport, CT** *1993-1997*
  - Reviewed and approved annual Town and Board of Education budgets.
  - Set fiscal policies including capital forecasts.
  - Served as audit authority.

Corporate Experience

1981-1983 • **J. Walter Thompson Inc.,** New York, NY
Account Executive for Warner Lambert Consumer Products

1978-1981 • **Benton & Bowles Inc.,** New York, NY, Los Angeles, CA
Media Planner: Procter & Gamble, Texaco, Continental Airlines, Home Savings & Loan

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

Please see my employment experience response.

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

None.

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Member Westport, CT Democratic Town Committee 1993 - present
Democratic Candidate for Congress (CT-4) 2006 and 2004
First Selectwoman, Town of Westport, CT 1997-2005
Member, Board of Finance, Town of Westport, CT 1993-1997

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

Chris Dodd for President: $4000.00 from Farrell for Congress 3/22/2007
Diane Farrell to Farrell for Congress: $1000.00 3/31/06
Democratic State Central Committee from Farrell for Congress: $750.00 3/30/05

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

The principal of partnership and a personal philosophy that government should act in an assisting role to the marketplace whenever possible helped to guide my years as the chief elected official of my community. In eight years in office, I worked closely in a supportive role with commercial interests of all sizes. Fairfield County Connecticut is home to numerous Fortune 500 companies as well as small business. The Business Council of Fairfield County and the Chambers of Commerce in the cities and towns in our area are proactive organizations that eagerly reached out to area elected officials as a means to multi dimensionally strengthen the region. Cooperative efforts including transportation, housing, homeland security and infrastructure improvement are some of the more prominent initiatives that I was involved in during my tenure in office. Should I be confirmed to the Board of Directors at the Bank, I would intend to carry forward the public private partnership philosophy as part of the Bank's leadership.

I had the opportunity to attend the Bank's annual meeting this past April and was very impressed to see the cooperative spirit between government and the private sector. Having come from the account management side of advertising prior to my years in public service I was pleased to see such strong efforts on behalf of the bank to actively market its products to lending institutions and their clients. I would expect to employ the skills I

obtained in the advertising industry as a Director on behalf of the Bank where I can be helpful. Acknowledging the emphasis that Congress has asked the Bank to place on small business support, I would hope to play a leadership role in that effort.

Having managed a municipality for eight years well suits me to understand the complexities and unique nature of government institutions. Prior to becoming First Selectwoman, I served on the Board of Finance. These two experiences in combination give me the unique perspectives of both management and oversight. As one of the non-managing members of the board I will be serving as part of the Audit Committee. This is a very familiar role for me as it was a function of the Board of Finance. I take special note the Bank will, for the first time soon have an Inspector General. Independent internal audit functions can be extremely helpful to management and I would lend my support to assist and support the additional oversight sought by Congress.

What perhaps attracts me most to the Bank is its mission to promote U.S. commercial interests in the global marketplace with the priority of retaining jobs here at home. The issue of losing jobs overseas is ever present in the minds of our country's citizens and leadership. To be able to actively help companies compete, to retain jobs and promote new industries will be a most rewarding and satisfying endeavor. Should I be confirmed, I look forward to putting my experience, training and energy to work on behalf of the Export Import Bank.

I have included the biography I was asked to furnish the White House personnel office:

Diane Farrell has had more than 25 years of professional experience in the private and public sectors in financial management, maintaining fiscal integrity and managing budgets. She has broad experience dealing with leaders from all walks of life - in the political, not-for-profit, governmental, advertising, planning, and educational arenas. She has worked with international officials in Asia, Europe and the Middle East. She is well respected in her community, in her state and in Washington, D.C. by the people who know her as a strong leader who has exhibited the ability to bring people of all backgrounds together for the common good.

From 1997 to 2005 she served as First Selectwoman in the town of Westport Connecticut. One of her major accomplishments as its chief executive officer for eight years was to solidify consensus building in the community. This brought about innovative improvements, including the construction of badly-needed, state-of-the-art school buildings, keeping increases in multi-million dollar town budgets within the CPI, and skillfully supervising the town's Finance Department to maintain its annual Moody's Aaa bond rating. On the Westport Board of Finance, where she served the four previous years, she helped set fiscal policies, including capital forecasts and shared audit responsibilities with her six other colleagues.

She has an ability to weave her way through bureaucratic mazes, and she strives to improve the quality of life for those with whom she comes into contact. In fact, she was the first person to be to be re-elected to the top job in Westport in 25 years.

Ms Farrell made her mark not only in Westport, but also as a leader on important regional issues such as transportation, homeland security, environmental quality, and the economy. In 2002 she was elected chair of the Southwestern Regional Planning Association's Metropolitan Planning organization (SWRPA MPO). The MPO is the federally mandated organization designated by the state of Connecticut as the forum for cooperative transportation decision-making between local, state and federal stakeholders.

At a critical time in the nation and region's history, Ms. Farrell expanded the role of MPO chair and the organization to focus on other critical regional issues including post 9-11 homeland security, economic development, open space preservation, and environmental quality. She also served on the Board of Directors of the Connecticut Conference of Municipalities, a statewide organization that advocates on behalf of Connecticut's cities and towns with the state general assembly, executive branch, regulatory agencies and courts.

Serving as First Selectwoman also enabled Ms Farrell to express her strong interest in international affairs. Westport serves as the headquarters of the International Hospitality Committee of Fairfield County, a 23-town organization which hosts visiting dignitaries and groups from around the world. Ms. Farrell welcomed U.N. Secretariat families and delegates from countries around the world, including most recently, the ambassadors to East Timor and Switzerland, and visitors from Westport's three sister cities in France, Russia and the People's Republic of China. She also met with delegations from Brazil, Argentina, and Russia through Rotary International, and conferred with delegates from Haiti through Westport-based Save the Children organization.

In 2005 Ms Farrell traveled to the People's Republic of China to attend the tenth anniversary celebration of Westport's sister city relationship with the city of Yangzhou in Jiangsu province. In 2006 she participated in a community mission trip to Israel.

Ms Farrell was awarded the 2004 Woodlands Coalition Environmental Gold Award and the 2003 Upper Fairfield County Distinguished Leadership Award from the Anti Defamation League. In addition she has been the recipient of awards from the Girl and Boy Scouts Organizations as well as Rotary International.

Ms. Farrell, a 1977 graduate of Wheaton College with an B.A., in American Government, is married to Karr Winslow ("Win") Farrell. The couple has two grown daughters, Hilary Ann Farrell and Margaret Carpenter Farrell.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

My term of office in the Town of Westport ended in November 2005.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I would have to seek re-election which I have no plans to do at this time.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

There are none.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I have worked closely with the ExIm Bank counsel's office, who have been communication with the Office of Government Ethics (form sf 278).

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

There are none.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

As a member of the National League of Cities during my tenure as First Selectwoman of Westport, CT, I advocated funding increases to Federal Transportation legislation. I also supported NLC's position against the President's budgets vis a vis reduction or elimination of block grants for cities and towns.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

My responses to the previous questions indicate no conflict(s) that I am aware of.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

There are none.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

There are none.

Statement to the US Senate Committee on Banking, Housing, and Urban Affairs William S. Jasien, Director – Designate, Securities Investor Protection Corporation July 11, 2007

Good morning, Mr. Chairman and members of the Committee. My name is Bill Jasien, and I am honored to be nominated by President Bush to serve on the SIPC Board of Directors. I am pleased to have most of my immediate family with me here today; my wife Kathy, our daughter Ali, and two of our sons, Hunter and Chapman. Unfortunately, our oldest son, Trexler, could not be with us as he is off at wrestling camp.

I believe I am well qualified to serve on the SIPC board based on my financial expertise and background in the securities and wealth management industries. I am a Certified Retirement Plan Administrator and currently head of business development for ING Financial Advisers. This division of ING is focused on the defined contribution, retirement planning marketplace. I take great pride in my affiliation with ING and its global focus on serving the needs of savers and investors through our banking, investments, insurance and asset management business lines.

Beyond ING, I am active in various charitable organizations including: INFRE, the International Foundation for Investor Education, the Washington Chapter of the American Red Cross and the US State Department Overseas Scholastic Advisory Council. I am the former Vice Rector of the board for my alma mater, James Madison University and have participated in a variety private sector boards and commissions throughout my career. I am honored to have served in various governmental capacities here on Capitol Hill as a staffer, as Director of Public Affairs for the Oversight Board of the Resolution Trust Corporation and as a Deputy Assistant Secretary at the US Department of the Treasury.

As an NASD Registered Principal with a SIPC member broker dealer, I very much appreciate the important role SIPC plays in the securities industry. Although the securities industry is quite complex, it can be distilled down to a few key principles: education, risk and confidence. Throughout its history, SIPC has a meaningful influence on each of these components – components which ensure market transparency, investor protection and ultimately a thriving capital markets industry. SIPC's efforts in educating and protecting the rights of investors have resulted in an unparallel record of success. The work of SIPC along side that of the SEC, self regulatory organizations, and state regulators, is critical in maintaining investor confidence. As you know, SIPC was established back in 1970 to help restore public confidence in the securities markets. This was a turbulent time in our financial history with hundreds of broker-dealers merging or going out of business. Since its formation, close to 37 years ago, it has effectively executed on its mission of restoring funds to investors with assets in the hands of bankrupt and otherwise financially troubled brokerage firms. Over this period they have protected no fewer than 99% of eligible persons and have advanced $505 million in order to recover $15.7 billion for an estimated 626,000 investors.

The brokerage business is a highly competitive environment with increasingly tough regulatory requirements. These dynamics will require firms to continue to invest in their infrastructure in order to realize required efficiencies and a sound operating model. Should I be fortunate enough to be confirmed by the Senate, I am committed to diligently working with this committee, the board and the professional staff at SIPC to closely monitor and anticipate the challenges in the securities industry, and secure sufficient but responsible funding to perpetuate the important mission of the Corporation. There should be no question in investors' minds that SIPC is well run, operating with a stable financial structure and prepared to execute on its legislative mandates.

Mr. Chairman, that concludes my remarks and I look forward to answering any questions you or the committee may have. Thank you for your attention and consideration.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Jasien, William Stephen

Position to which nominated: Director, Securities Investor Protection Corporation

Date of nomination: 14, May 2007

Date of birth: 07, December 1961 **Place of birth:** Cedar Rapids, Iowa

Marital Status: Married **Full name of spouse:** Katherine Anne Jasien

Name and ages of children:

William Trexler Jasien (17)

Alexandra Katherine Jasien (16)

Hunter Brown Jasien (13)

Chapman Leo Jasien (10)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
James Madison University	09/1981 – 05/1985	BA	05/1985
Mercer County Community College	09/1980 – 05/1981	N/A	N/A

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Meritorious Service Award, US Treasury (1992)
Outstanding Young Professional of the Year Award (1990)

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
American Red Cross	Finance Committee	2001 – present
McDonald Bradley Inc.	Director	2004 - present
James Madison University	Vice Rector	1998 – 2004
US Department of State, Overseas Scholastic Advisory Com.	Vice Chairman	2000 – present
Country Club of Fairfax	N/A	2003 – present
International Foundation for Financial Education	N/A	1999 – present
St Clare Church Fundraising Com.	N/A	2003 – 2005

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Organization	Title / Description	Location	Dates
ING Financial Advisors	Senior Vice President, Distribution and Administration of public pension plans (DC)	Fairfax, VA	06/1998 - present
	Head of Customer Service	Phoenix, AZ	08/1996 – 06/1998
	Investment officer	Hartford, CT	03/1993 – 08/1996
US Treasury	Deputy Assistant Secretary, Budget, Procurement and Human Resource administration	Washington, DC	08/1991 – 03/1993
Resolution Trust Corp.	Director, Public and Industry Affairs	Washington, DC	02/1989 – 08/1991
George Bush for President	Deputy Campaign Comptroller	Washington, DC	09/1987 – 02/1989
US Senator Paula Hawkins	Legislative Assistant and Correspondent	Washington, DC	06/1985 – 09/1987

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

US State Department,	Vice Chairman, Overseas Scholastic Advisory Com.	Washington, DC	09/2000 - present
US Treasury	Deputy Assistant Secretary, Budget, Procurement and Human Resource Administration	Washington, DC	08/1991 – 03/1993
Resolution Trust Corp.	Director, Public and Industry Affairs	Washington, DC	02/1989 – 08/1991
US Senator Paula Hawkins	Legislative Assistant and Correspondent	Washington, DC	06/1985 – 09/1987

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

a) 403(b) Market Review, Association of Business Officials News Letter (effects of the new IRS Regulations) (02/2007);
b) Leadership and Adaptability, James Madison University (speech to faculty and students) (10/2005)

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

George Allen for Senate, Finance Committee (2000 – 2006)
George Bush for President, volunteer campaigner, contributor (1999 – 2005)

Political

Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

George Allen for Senate
$2000 – 2005/6
$1000 -- 1999

George Bush for President
$2000 – 2004/5
$1000 – 2000

John Rowland for Governor
$1000 -- 2000

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

To service as a director of the Securities Investor Protection Corporation would not only be a great honor but I am qualified for the following reasons:

a) I have been in the financial services business for 14 years and have been an NASD registered principle (series 7 and 24) for 10 years;
b) I have been very involved in the retirement services debate and an active member of key industry organizations (i.e., INFRE and NAGDCA);
c) I am a senor officer with ING Financial Advisors LLC (broker dealer) and active in the management of the enterprise;
d) I understand the interworkings of a broker dealer and the challenges facing the industry;
e) With a background in the government at the US Treasury and the Resolution Trust Corporation, I have a good understanding of effective public-private interaction.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

No, as this is a part-time board position.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

As stated, I will stay with my current firm.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I will maintian my employment and related benefites with ING Financial Advisors LLC, including salary, bonus, defered compansation and long-term leverge compensation. However, Should issues surface relating to ING Financial Advisers LLC and/or an ING affiliated broker dealer, I would disqualify myself from participation in those proceedings.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

My current employer, ING Financial Advisers LLC.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

N/A

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

I have been vocal on the proposed IRS code 403b regulations.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

Should issues surface relating to ING Financial Advisers LLC and/or an ING affiliated broker dealer, I would disqualify myself from participation in those proceedings.

Civil, criminal and investigatory actions:

1. Give the full derails of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

N/A

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

N/A

STATEMENT OF MARK STEVEN SHELTON
NOMINEE FOR DIRECTOR OF THE
SECURITIES INVESTOR PROTECTION CORPORATION
SENATE BANKING COMMITTEE
JULY 10, 2008

Good morning Chairman Dodd and distinguished Members of the Committee.

I am honored to come before you today to seek your consent as the President's nominee to serve as a director of the Securities Investor Protection Corporation.

In private practice at Wilmer, Cutler and Pickering, I provided legal advice to broker-dealers regarding compliance with financial responsibility rules designed to prevent customer securities and cash balances from being put at risk if a broker-dealer were to fail.

I presently serve as General Counsel of the United States wealth management business for UBS Global Wealth Management and Business Banking. UBS is a leading global wealth manager, top tier investment bank, and one of the largest global asset managers. Wealth Management US provides brokerage, advisory, banking and trust services to its clients.

At UBS, I have had the opportunity to help investors understand how our securities markets work and to prepare employees to speak about the rights and protections available to investors when advising clients. I believe my background in the relevant legal framework and focus on investor education and protection will be helpful if I am confirmed.

SIPC plays an important role for investors. Every investor should understand that rewards from investing in securities are only possible with market risk, but investors should be able to expect that their funds and securities will be there if their brokerage firm fails. SIPC gives investors confidence that if a firm were to fail and securities were stolen, misplaced, or put at risk for other reasons, help is available to them within coverage limits.

If confirmed as a director of SIPC, I promise the President, this Committee, and the investing public that I will use my knowledge, experience, and skills, combined

with commitment and enthusiasm, to maintain and strengthen SIPC's effectiveness for investors.

Although they are unable to be with me this morning, I want to recognize and thank my wife, April, and sons, Spencer and Hewitt, for their love and support.

I thank you for your time and consideration. I will be happy to answer any questions you may have.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Shelton (Last) Mark (First) (Other)

Position to which nominated: **Director of the Securities Investor Protection Corporation**

Date of nomination: May 10, 2007

Date of birth: 5, April, 1967 (Day) (Month) (Year) **Place of birth:** Topeka, Kansas

Marital Status: Married **Full name of spouse:** April

Name and ages of children: E. Spencer Shelton/4 years old, Hewitt P. Shelton/2 years old

Education: (most recent working back)

Institution	Dates attended	Degrees received	Dates of degrees
University of Virginia School of Law	08/1989-05/1992	J.D.	05/1992
University of Kansas	08/1985-05/1989	BA	05/1989
Topeka West High School	08/1981-05/1985	Diploma	05/1985

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Order of the Coif	University of Virginia School of Law
A.J. Boynton Scholarship (Economics)	University of Kansas
Hartfield Merit Scholarship	University of Kansas
Pi Sigma Alpha honor society	University of Kansas

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Board Member, American Red Cross of Greater New York		January 2007-present
Board Member, UBS Foundation USA		January 2007-present
Member, Federal Regulation Committee of the Securities Industry & Financial Markets Assoc.		2004 - present
Republican Lawyers Association, Member		2000-present
American Bar Association, Member		1995-present
Kansas Bar, Member		1992-present
District of Columbia Bar, Member		1995-present
New York Bar, Member		2005-present
New Jersey Bar, Corporate Member		2006-present
Member, Christ Church, Georgetown, Washington, D.C.		1999-present
Member, St. James Church, New York		2003-present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

5/2003 to present	UBS Financial Services, Inc., General Counsel, Weehawken, NJ
1/1997 to 4/2003	Wilmer, Cutler & Pickering, Partner, Washington, DC
9/1999 to 1/2001	Georgetown University Law Center, Adjunct Professor of Law, Washington, DC
9/1995 to 12/1996	Dole/Kemp '96, Inc., Deputy General Counsel, Washington, DC
9/1994 to 9/1995	Securities and Exchange Commission, Staff Attorney, Washington, DC
9/1992 to 9/1994	U.S. Court of Appeals, Eight Circuit, Law Clerk, Lincoln, NE
5/1992 to 9/1992	Bryan, Cave McPheeters & McRoberts, Kansas City, MO
5/1991 to 9/1991	Gibson, Dunn & Crutcher, Washington, DC
5/1990 to 9/1990	Stinson, Magg & Fizzel, Kansas City, MO

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

9/1994 to 9/1995	Securities and Exchange Commission, Staff Attorney, Washington, DC
9/1992 to 9/1994	U.S. Court of Appeals, Eight Circuit, Law Clerk, Lincoln, NE

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

Brandon C. Becker, Soo J. Yim, Mark S. Shelton, Daniel Gallagher, "The Duty of Best Execution", American Law Institute (January 4, 1999).

Soo J. Yim and Mark S. Shelton, Financial Markets Association, 1999 Capital Markets Supercourse: Fixed Income and Equities Regulation Workshop.

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Volunteer Counsel	2004 Republican National Convention
Counsel	Senator John Cornyn 2002
Volunteer Counsel	Bush/Cheney 2000
Volunteer Counsel	2000 Presidential Transition Foundation, Inc.
Republican National Committee	Various matters as outside counsel while at Wilmer, Cutler & Pickering
Deputy GC	Dole/Kemp '96

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

2/12/2002	$1,000	Texans for John Cornyn
2000	$500	John Thune

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

I studied securities regulation at the University of Virginia School of Law, taught securities regulation at the Georgetown University Law Center, and have practiced law for 15 years. While at Wilmer, Cutler & Pickering, I was a partner in the broker-dealer regulation division of the Securities Practice Group, specializing in financial responsibility regulation. I am committed to investor protection and believe that I can add value as a member of the Board of SIPC.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

The SIPC board is a part-time board. I will continue employment with UBS Financial Services, Inc. while I serve on the board if I am confirmed by the Senate.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I will continue employment with UBS Financial Services, Inc.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I am employed by UBS Financial Services, Inc. and have deferred compensation from UBS Financial Services, Inc.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I have investments in UBS AG stock and options.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

No.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

The SIPC board position for which I am nominated is a securities industry position. I do not anticipate that my employment or financial relationship with UBS AG and UBS Financial Services will create any conflict of interest. However, if I become aware of a conflict in a particular I will notify the Chairman of the Board and the President of SIPC, and I will recuse myself from the matter under consideration.

Civil, criminal and investigatory actions:

1. Give the full derails of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

5/2000, Civil, Settlement, Thomas Patterson, Superior Court of DC Small Claims, DC 20549:
Lanlord/tenant matter in which I was the tenant. Patterson sued in small claims court for rent. I counterclaimed for conditions of building. Matter settled for last month of rent.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

STATEMENT OF WILLIAM HERBERT HEYMAN
NOMINEE FOR DIRECTOR OF THE
SECURITIES INVESTOR PROTECTION CORPORATION
SENATE BANKING COMMITTEE
JULY 11, 2007

Good morning. My name is William Heyman, and I am Vice Chairman and Chief Investment Officer of The Travelers Companies, a major U.S. property/casualty insurer. I am also a member of the Board of Governors and the Executive Committee of the NASD.

I am honored to have been nominated by President Bush to be a director of the Securities Investor Protection Corporation. From 1991 to 1993, when I served as Director of the Division of Market Regulation of the Securities and Exchange Commission, I was the SEC's observer on the SIPC board, so I am especially pleased at the prospect of renewing that association.

As you know, SIPC was created by Congress in 1970 in response to a rash of broker-dealer failures resulting principally from a "paperwork crisis", in which trading volumes swamped antiquated back-office systems and firms simply lost track of individual customers'

assets. Since 1970, industry consolidation and the advancement of back-office technology have all but eliminated this problem, with the result that some relatively large brokerage firms have failed without requiring SIPC involvement.

The incidence of broker-dealer failures has been further limited by vigorous enforcement of two SEC rules. The Net Capital Rule provides early warnings of broker-dealers' financial distress. The Customer Protection Rule requires firms to reduce to "possession and control" fully paid or excess margin customer securities and to segregate cash in a "reserve account" in an amount roughly equal to net amounts owed customers.

The number of ongoing SIPC liquidation proceedings is at a record low of 21 firms, and the customers in those proceedings have, with very few exceptions, been satisfied. Most of the work in open cases relates to recovery of residual assets of the failed firms. Still, small numbers of broker-dealers regularly fail under conditions requiring SIPC involvement. These failures generally result not from adverse market conditions but rather from failure to operate competently or

honestly. About half are so-called "introducing" firms, which shouldn't have been handling customer assets in the first place.

So SIPC still has an important role as a limited safety net for the individual investor, whose protection is at the heart of our securities laws. If confirmed as a director, I pledge to do my utmost to ensure SIPC continues to meet its responsibilities as expeditiously, professionally, and fairly as possible and without recourse to the taxpayers.

I thank you for your consideration, and I will be pleased to answer any questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: **Heyman** (Last) **William** (First) **Herbert** (Other)

Position to which nominated: **Director – Securities Investor Protection Corporation**

Date of nomination: **March 12, 2007**

Date of birth: **20** (Day) **April** (Month) **1948** (Year) **Place of birth:** **New York, NY**

Marital Status: **Unmarried** **Full name of spouse:**

Name and ages of children: **None**

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Princeton University	**1966–1970**	**AB, Magna cum laude**	**1970**
Harvard Law School	**1970–1973**	**JD, cum laude**	**1973**

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or chievement.

Elected to Phi Beta Kappa Society at Princeton University, 1970

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Clubs:		
Century Country Club, Purchase, NY	Member	Since before 1996
Mid Ocean Club, Tucker's Town, Bermuda	Member	Since 2003
Doonbeg Golf Club, County Clare, Ireland	Member	Since 2004
Midland Hills Country Club, St. Paul, MN	Member	2003-2005
University Club, New York, NY	Member	Since 1999
Army & Navy Club, Washington, DC	Member	Since before 1996
Nassau Club, Princeton, NJ	Member	Since 2006
Academic:		
George H. Heyman, Jr. Center for Philanthropy & Fundraising New York University New York, NY	Advisory Board	Since 2003
Advisory Board for Financial Mathematics Courant Institute of Mathematical Sciences New York University New York, NY	Advisory Board	Since 2000
Bendheim Center for Finance Princeton University Princeton, NJ	Advisory Board	Since 2003

Community:		
92nd Street Young Men's & Young Women's Hebrew Association New York, NY	Honorary Director	Since before 1996
Student/Sponsor Partners New York, NY	Director Advisory council	Before 1996-2002 2002 – present
Religious:		
Congregation Emanu-El of the City of New York New York, NY	Member	Since before 2006
Other:		
Fellows of the Phi Beta Kappa Society	Member	Since before 1996
Economic Club of New York New York, NY	Member	Since 1998
Council on Foreign Relations New York, NY	Member	Since 2004

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Dates	Employer	Location	Job Title/Description
June '73–May '75	White & Case	New York, NY	Associate Attorney (Corporate)
July '75–March '78	Cravath, Swaine & Moore	New York, NY	Associate Attorney (Corporate)
April '78-October '79	Stroock & Stroock & Lavan	New York, NY	Associate Attorney (Corporate)
Nov. '79-Dec. '88	Mercury Securities	New York, NY	General partner in registered broker-dealer engaged in merger arbitrage business
Feb. '89-Jan. '91	Smith Barney, Harris Upham & Co., Inc.	New York, NY	Managing director; head of arbitrage department
Feb. '91-March '93	United States Securities & Exchange Commission	Washington, DC	Deputy Director, & then Director-Division of Market Regulation
July '93-April '95	Salomon Brothers Inc.	New York, NY	Managing Director & Head of Private Investment (private client) Department
July '95-March '02	Citigroup Inc. (& its predecessor, Travelers Group, Inc.)	New York, NY	Various positions in proprietary investment group – CEO of Tribeca Investments, LLC, & Chairman of Citigroup Investments
July '00-present	Max Re Capital, Ltd.	Hamilton, Bermuda	Member, Board of Directors; Chairman of Audit & Risk Mgmt. Committee
May '02-present	Travelers Companies (and its predecessor, St. Paul Travelers Companies)	St. Paul, MN	Vice Chairman (formerly Executive Vice President) & Chief Investment Officer
Aug '02-May '05	Nuveen Investments, Inc.	Chicago, Ill	Member, Board of Directors
Jan '05-present	NASD (National Association Securities Dealers)	Washington, DC	Member, Board of Governors

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

Dates	Agency	Part-time (P) or Full-time (F)	Description of Affiliation
1989-1990	Administrative Conference of the United States	P	Public Member; Member, Special Committee on Financial Institutions
1989-1990	U.S. Securities and Exchange Commission	P	Member-Emerging Markets Advisory Committee
1989, 2003, 2004	Commission on White House Fellows	P	Member, New York Area Regional Selection Panel
Feb. 1991-March 1993	U.S. Securities and Exchange Commission	F	Deputy Director (2/01-4/01) and Director (5/01-3/03) - Division of Market Regulation
1992-1994	Commodity Futures Trading Commission	P	Member-Financial Products Advisory Committee

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

"Implications of Rule 145 under The Securities Act of 1933".
Boston University Law Review, Vol. 53, No. 4 (July, 1973)

"An Investment Management Methodology for Publicly Held Property/Casualty Insurers" (co-author)
Journal of Applied Corporate Finance, Vol. 18, No. 1 (Winter 2006)

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Served on host committee for a small fundraising event in New York City for the 1999-2000 campaign of President George W. Bush.

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

Date	Amount	Check No.	Recipient
4/6/1999	$1,000	2030	Lott, Sen. Trent ("Trent Lott of Mississippi")
5/25/1999	$1,000	2087	Forbes, Steve ("Forbes 2000 Inc.")
6/22/1999	$1,000	2099	Bush, George W. ("Bush for President Inc.")
6/28/1999	$1,000	2110	National [Republican] Jewish Coalition
7/7/1999	$500	2118	Friends of [Alan] Hevesi [New York State Controller]
10/29/1999	$1,000	2194	Abraham, Sen. Spencer ("Abraham Senate 2000")
10/19/1999	$1,000	2171	Giuliani, Rudolph W. ("Friends of Giuliana Exploratory Committee")
10/27/1999	$1,000	2198	Bradley, Bill ("Bill Bradley for President Inc.")
11/29/1999	$1,000	2209	Lieberman, Sen. Joseph ("Friends of Joe Lieberman")
6/27/2000	$500	2392	Glenn, Dylan ("Friends of Dylan Glenn")
6/27/2000	$1,000	2372	Sessions, Jefferson B. ("Friends of Sessions Senate Committee Inc.")
7/18/2000	$1,000	2405	Lazio, Rick ("Lazio 2000 Inc.")
9/29/2000	$1,000	2278	McCain, John S. ("McCain 2000 Inc.")
11/18/2000	$1,000	2479	Bush-Cheney Recount
12/16/2000	$1,000	2498	Republican Jewish Coalition
3/30-01 – 1/31/02	$5,261		Citigroup Political Action Committee-Federal/State
5/6/2001	$250	2580	Friends of [Alan] Hevesi [New York State Controller]
5/22/2001	$10,000	2573	National Republican Senatorial Committee
7/18/2001	$500	2622	[Peter] Vallone 2001 [for Mayor of New York]
11/3/2001	$1,000	2684	Republican Jewish Coalition
3/12/2002	$1,000	2772	Sununu, John E. ("Team Sununu")
7/30/2002	$2,000	2850	IFPAC
12/14/2002	$1,000	2935	Republican Jewish Coalition
6/13/2003	$2,000	2963	Bush, George W. ("Bush-Cheney '04 [Primary] Inc.")
6/26/2003	$500	2929	Northstar Leadership PAC (Norm Coleman)
6/30/2003	$500	2968	Alexander, Lamar ("Alexander for Senate 2008 Inc.")

7/12/2003	$2,000	2983	[Haley] Barbour for Governor [of Mississippi]
8/22/2003	$850	3008	"HRRC" [Minnesota House Republican Committee]
9/30/2003	$500	3028	Wyden, Ronald Lee ("Wyden for Senate")
10/24/2003	$1,000	3052	Republican Jewish Coalition
7/16/04 – 12/17/04	$2,431		St. Paul Travelers Companies Political Action Committee ("STA PAC")
8/27/2004	$500	3249	[Tim] Pawlenty for Governor [of Minnesota] Committee
10/15/2004	$500	3282	Larson, John B. ("Larson for Congress")
10/22/2004	$1,000		Republican National Committee
10/30/2004	$1,000		Republican Jewish Coalition
12/30/2004	$500	3330	[Minnesota State] Senate Victory Fund
1/15/05 – 12/31/05	$5,019		St. Paul Travelers Companies Inc. Political Action Committee ("STA PAC")
3/4/2005	$2,000	3366	Cox, Edward F. ("Friends of Ed Cox Inc.")
3/7/2005	$1,000	3368	Alexander, Lamar ("Alexander for Senate 2008 Inc.")
3/17/05 - 5/27/05	$500	3384, 3426	Tim Pawlenty for Governor [of Minnesota]
10/6/2005	$1,000	3658	IFPAC
11/8/2005	$1,000	3668	Kennedy, Mark Raymond ("Mark Kennedy 06")
11/14/2005	$1,000	3670	Straight Talk America (John McCain)
12/1/2005	$1,000	3693	[Mark] Holtzman for Governor [of Colorado]
1/15/06 – 11/15/06	$4,510		St. Paul Travelers Political Action Committee ("STA PAC")
1/24/2006	$2,100	3729	McFarland, Kathleen Troia ("KT McFarland for Congress")
5/1/2006	$1,000	3785	Ricketts, Pete ("Nebraska Families for Pete Ricketts Inc.")
6/9/2006	$500	3808	[Tim] Pawlenty for Governor [of Minnesota] Committee
6/28/2006	$1,000	3812	McFarland, Kathleen Troia ("KT McFarland for Senate")
7/13/2006	$1,000	3831	Jeanine Pirro for [New York State] Attorney General
7/27/2006	$1,000	3823	Kennedy, Mark Raymond ("Mark Kennedy 06")
9/25/2006	$2,100	3864	Dodd, Sen. Chris ("Friends of Chris Dodd")
10/14/2006	$2,100	3873	Lieberman, Sen. Joseph ("Friends of Joe Lieberman")
1/5/2007	$2,100	3922	Romney for President Exploratory Committee
1/24/2007	$2,300	3932	John McCain 2008
	$80,521 TOTAL		

Qualifications: State fully your qualifications to serve in the position to which you have been named.

I believe myself to be well-qualified to be a member of the Board of Directors of the Securities Investor Protection Corporation ("SIPC").

First, I began my career as a securities lawyer, after graduating from *cum laude* Harvard Law School, where I concentrated in securities law and wrote my third year paper for Professor Louis Loss. The paper was published shortly after my graduation in another law school's law review. I practiced securities law for six years, principally with Cravath, Swaine & Moore.

I left the legal profession in 1979 to co-found Mercury Securities, an SEC-registered broker-dealer (and SIPC member) specializing in merger arbitrage. I remained a general partner for nine years. Among other things, I was the firm's Financial and Operations Principal, which required passing a relatively difficult examination on the SEC's financial responsibility rules for broker-dealers. Violation of these rules is a major cause of SIPC liquidations.

In addition to that examination, in the course of my employment in the securities industry I passed the following additional examinations: general securities representative, commodity futures representative, investment adviser representative, uniform securities agent (state), general securities principal, options principal, equity trader, and municipal securities principal.

After leaving Mercury Securities at the end of 1988, I joined what was then called Smith Barney, Harris Upham & Co., Inc., another registered broker-dealer, as a managing director and head of the arbitrage department.

I left Smith Barney in February 1991 to join the U.S. Securities and Exchange Commission in Washington, D.C., as Deputy Director of the Division of Market Regulation. In May, 1991, I was promoted to Director. As Director, I was the senior SEC staff member responsible for the oversight of all U.S. registered broker-dealers, the self-regulatory organizations (the NASD, the New York Stock Exchange, the CBOE and 6 other exchanges); 15 clearing organizations; the Municipal Securities Rulemaking Board; the Securities Investor Protection Corporation [SIPC]; and U.S. securities markets generally. I supervised a staff of approximate 180 in SEC Washington headquarters and 180 examiners in the SEC's regional offices.

At the SEC, I supervised the approval process for new listed derivative products, as well as the development and implementation of rules under the Penny Stock Reform Act of 1990 and the Market Reform Act of 1990 (in particular its provisions for holding company risk assessment, large trader reporting, and coordination of clearing and settlement). In addition, I was responsible for coordination of market regulation activities with foreign regulators, developing international capital standards for banks and securities firms, and the administration and interpretation of the SEC's net capital rule. *I served as the SEC's observer to the board of SIPC.* I also supervised the SEC role in the 1992 Joint Report [of the SEC, the Treasury Department, and the Federal Reserve Board] on the Government Securities Market, and I conceived and commenced the SEC's Market 2000 study of U.S. equity markets.

After leaving the SEC in 1993, I joined Salomon Brothers, Inc., as a managing director and head of the private investment department. After two years there, I rejoined what was the Travelers Group (now Citigroup), the parent of Smith Barney. Shortly after I returned, Travelers Group acquired Salomon Brothers. I had numerous responsibilities at Citigroup, including Chairman of Citigroup Investments, but the job for which I returned, and my "day job" throughout much of my tenure (ending in 2002) was to found and be CEO of Tribeca Investments, LLC, a Citigroup subsidiary (and NYSE, NASD and SIPC member broker-dealer) conducting arbitrage and other proprietary trading strategies for Citigroup.

Accordingly, I feel I have extensive securities industry experience and regulatory experience. I have continued my industry involvement, since 2004, as a member of the Board of Governors of the National Association of Securities Dealers [NASD].

Finally, SIPC is, after all, an insurance company. I am currently Vice Chairman and Chief Investment Officer of St. Paul Travelers Companies, one of the nation's largest property/casualty and liability insurers (although we do not write "excess SIPC" insurance which would create a conflict with this position). In addition, I am a director of Max Re Capital, Ltd., a reinsurance company in which St. Paul Travelers owns shares.

For all these reasons, I believe I am equipped to fulfill the responsibilities attendant to service on the SIPC Board.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

No – this is a part-time position.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

See answer to (1), supra

3. Has anybody made you a commitment to a job after you leave government?

See answer to (1), supra

4. Do you expect to serve the full term for which you have been appointed?

Yes

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I am entitled to a pension payment of approximately $200,000.00 at age 65 from Citigroup, a former employer.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I own common shares of Citigroup, which has broker-dealer subsidiaries which are SIPC members (though I believe the possibility of a forced, SIPC liquidation of any such subsidiary is extremely remote).

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

If a Citigroup subsidiary entered SIPC liquidation, I would recuse myself from any SIPC Board decisions relating to such liquidation.

Civil, criminal and Investigatory actions:

1. Give the full derails of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

Mercury Securities, the registered broker-dealer of which I was one of two general partners from 1979 to 1988, was the subject of a formal order of investigation (for insider trading) by the SEC in February, 1991. At that time, I was Deputy Director of the Division of Market Regulation at the SEC. The investigation, which was conducted by the Enforcement Division, was concluded (without action) in April, 1991, and in May, 1991, I was promoted to Director of the Division of Market Regulation.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None

RESPONSE TO WRITTEN QUESTIONS OF SENATOR BROWN FROM BIJAN RAFIEKIAN

Q.1. Could you please explain the rationale for why the Bank would agree to put forward an application to finance a project that would export machines to China which would be used to manufacture products that would directly compete with a U.S. industry already under pressure from Chinese import competition?

A.1. Ex-Im Bank is a demand driven institution, In this case, the Bank is simply responding to an application for financing submitted by a U.S. exporter seeking help in making a sale of metal-stamping machines into China.

As part of the Bank's legislative mandate, whenever the Bank receives a case over $10 million involving potential economic impact, the Bank is required to notify Congress and the public of the existence of such an application and to request any comments. That notification is part of an inclusive search for information which could contribute to the most knowledgeable decision possible.

Ex-Im Bank staff has not yet completed its evaluation of this application. This transaction is subject to a detailed economic impact analysis which will assess the likely net impact of this transaction on the U.S. economy,

Q.2. What factors does the Bank take into consideration in its economic impact assessments for proposed projects?

A.2. The economic impact procedures put transactions through a series of screens to determine the extent of analysis required. The relevant factors that Bank takes into consideration include:

- Trade Measures—All transactions are screened to determine the applicability of trade measures.
- Substantial Injury—For transactions valued greater than $10 million, Ex-Im Bank determines if the new foreign production meets the Congressionally-defined threshold for substantial injury. The substantial injury threshold is met if the new foreign production capacity is 1% or more of current U.S. production of the same, similar, or competing good. Transactions that meet the substantial injury threshold are subject to a detailed economic impact analysis. This analysis considers:
  - A. Global oversupply—an evaluation of the current global supply/demand balance of the new foreign production.
  - B. Trade flow impact—a determination as to whether the new foreign production would compete in the same markets where U.S. producers sell their production.
  - C. Public comments in response to a Federal Register notice which is posted to inform the public of a proposed transaction under consideration by the Bank.
  - D. Comments from other U.S. government agencies.

Q.3. Does the Bank consider potential job loss as a result of the project?

A.3. I consider potential job loss in all decisions brought to the Board and, moreover, I believe it would be irresponsible not to have said consideration for U.S. jobs. The economic impact process of the Bank is built around the issue of identifying whether a transaction

involves a net job loss to the country. As case information available to the Bank is all in monetary or output terms, the Bank uses analysis of such variables as proxy measurements for the net employment impact of the transaction.

Q.4. Does the Bank consider the effect that the goods produced as a result of the financing may have on sensitive U.S. industries?

A.4. Yes. Pursuant to its Charter, Ex-Im Bank developed procedures to recognize industries that have particular trade sensitivities. Specifically:

(1) The Bank established in April 2007 a "Sensitive Commercial Sectors and Product List" which consists of a combination of sectors/products and transaction characteristics that reflect recent Ex-Im Bank experience with economic impact analyses where economic impact considerations were relevant and Ex-Im Bank financing did not materialize. Transactions that will establish or expand production of items included on this list are subject to significant scrutiny. While Ex-Im Bank support is not prohibited, applicable transactions have a lower likelihood of receiving Ex-Im Bank support and the case processing time is likely to be prolonged.

(2) As referenced above, the Bank takes trade measures into account For example, transactions that support the production of a product subject to an anti-dumping and/or countervailing duty orders are likely to be denied Ex-Im Bank financing.

Q.5. When do you expect to make a final ruling on this proposed project?

A.5. As Ex-Im Bank staff is still involved in gathering and evaluating information on this case, no date has been set for when the transaction will be put before the Ex-Im Bank Board of Directors for a decision. Board action is not imminent.

You have every assurance that I am most sensitive to the issues you have raised and that the mission of the Bank is to help sustain and grow U.S. jobs. Moreover, I am aware that not all countries in the global economy strictly observe the rules, making leveling the playing field all the more difficult. This along with the mission of the Bank focuses my attention to make certain that the process is conducted based on transparency, consistency and fairness at all times.

RESPONSE TO WRITTEN QUESTIONS OF SENATOR DODD FROM WILLIAM HEYMAN

As part of your testimony under oath, please respond in writing to each of the following numbered questions:

In 2003, the SEC brought major enforcement actions against Citigroup and against Citigroup stock analyst Jack Grubman for violating Federal securities laws. The SEC's complaints recounted misconduct that involved, in part, the issuance of misleading stock recommendations, including a very positive recommendation of AT&T stock. The Complaint recounted that AT&T objected to the CEO of Citigroup, Mr. Weill, about Mr. Grubman's ratings of AT&T and that Mr. Weill some time thereafter asked Mr. Grubman to take a "fresh look" at the rating. Mr. Grubman told Mr. Weill that he wanted his children admitted to a prestigious

preschool. According to the Complaint, after further communications between the two, Mr. Grubman upgraded his recommendation on AT&T stock from a 3 (Neutral) to a 1 (Buy) rating, Mr. Weill made contact with the preschool and approved a charitable donation by Citigroup for $1,000,000 to the preschool, and Mr. Grubman's children were admitted. The Complaint stated "After issuing the report, Grubman told an analyst who reported to him and an institutional investor, in separate conversations, that he upgraded AT&T to help get his children into the 92nd St. Y preschool." The Complaint added that Mr. Grubman sent an e-mail saying that Mr. Weill "needed [the AT&T CEO's] vote on our board to nuke [John] Reed in showdown."

The SEC Complaint cited part of an e-mail entitled "AT&T and the 92nd Street Y" dated November 5, 1999 from Mr. Grubman to Mr. Weill in which he "outlined the future steps he would take to reexamine the company . . . [and] sought Weill's assistance in getting his children admitted to the 92nd Street Y preschool." The original e-mail included the following statements:

"Attached is the list of the Board of Directors from the 92nd Street Y . . . if you feel comfortable and know some of these board members well enough, I would greatly appreciate it if you could ask them to use any influence they feel comfortable in using to help us as well. I noticed Bill Heyman is on the board and I think he works somewhere in the Citigroup corporate structure but I don't really know Bill.

"Anyway, anything you could do Sandy would be greatly appreciated. As I mentioned, I will keep you posted on the progress with AT&T which I think is going well."

Q.1. During this period, did you serve on the Board of Directors of the 92nd Street Y?

A.1. Technically, no. I was at that time and am currently listed on the 92nd Street Y's letterhead, to which I assume Mr. Grubman's memorandum referred, as an "Honorary Director", a designation given to a handful of former directors who had served as directors for long periods of time (decades). Honorary directors may attend board meetings (I did not), but do not vote.

Q.2. Did anyone contact you regarding Mr. Grubman's desire to have his children admitted to the 92nd Street Y? If so, please describe the people involved, the nature of the contact, your response, and any subsequent actions.

A.2. I was never contacted by anyone regarding this matter.

Q.3. Please describe any efforts you made with respect to the admission of Mr. Grubman's children to the 92nd Street Y.

A.3. I made no efforts on the behalf of Mr. Grubman's children regarding their admission to the 92nd Street Y.

Q.4. Were you aware or informed that Mr. Grubman might raise his rating on AT&T if his children were admitted to the 92nd Street Y?

A.4. No.

Q.5. A letter dated September 14, 2000 on the letterhead of the Citigroup Foundation, under the signature of Stephanie Hochman,

to Mr. Sol Adler, Executive Director of the 92nd Street Y, states that it is transmitting the first installment of a $1,000,000 pledge to the 92nd Street Y. The letter notes that a copy was sent to "William Heyman."

Did you receive a copy of this letter?

A.5. I was recently shown a copy of this letter. While, almost 7 years later, I do not specifically recall it, I certainly cannot say that I did *not* see it.

Q.6. At what time did you become aware of the contribution?

A.6. Assuming that in fact I did receive the letter, I would have become aware upon seeing it. I received no other communication, from anyone at Citigroup, on this subject, either before or later. (For that matter, I recall no communication from the 92nd Street Y, either.)

I believe it was customary for the Citigroup Foundation, in transmitting any grant (large or small) to any organization, to copy, as a courtesy, any Citigroup employee known to be involved with the organization.

Q.7. In what ways, if any, did you participate in the solicitation or transmission of the $1,000,000 Citigroup contribution to the 92nd Street Y or of its use by the 92nd Street Y?

A.7. I did not participate in any way whatsoever in this matter.

Q.8. If you participated in soliciting or transmitting this contribution, were you aware or under the impression that the donation was being given in return for admitting Mr. Grubman's children for which he might publish or had published a research report that raised the rating on AT&T stock or would violate the Federal securities?

A.8. As I did not participate in either the solicitation or the transmission of the contribution, I was not under any such impression.