

January 5, 2007

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P.O. Box 185  
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Re: Proposed New Rules: N.J.A.C. 19:25-26 - Disclosure of Contributions by Business Entities

Dear Ms. Levy:

The Securities Industry and Financial Markets Association ("SIFMA")<sup>1</sup> welcomes the opportunity to submit this comment on the New Jersey Election Law Enforcement Commission's ("ELEC") Proposed New Rules Regarding Disclosure of Contributions by Business Entities (N.J.A.C. 19:25-26). SIFMA supports reasonable efforts by governments to prevent possible conflicts in state contracting generally, such as Municipal Securities Rulemaking Board Rule ("MSRB") G-37. While SIFMA generally supports ELEC's proposal, we believe that the final rules should make it clear that the use of the title "vice president" in the definition of the term "officer" appearing in Proposed Rule 19:25-26.1 is limited to only senior officers of a business entity, so as to be consistent with other similar rules.

As part of this rulemaking, ELEC has proposed new rules for the disclosure requirements under P.L.2005, Chapter 271 ("Chapter 271") that provide definitions for undefined terms in Chapter 271. Chapter 271 requires a business entity to disclose to the government entity awarding the contract any covered contributions that the business entity made during the prior 12-month period, if the contract has a value in excess of \$17,500 and is not awarded pursuant to a fair and open process. Contributions made by a business entity include those made by its principals, partners, officers, or directors or their spouses.

While Chapter 271 does not define "principals, partners, officers, or directors," ELEC is now proposing definitions of these terms. Of concern to SIFMA is definition of "officer," which the proposal defines as "a president, *vice president*, secretary, treasurer, chief executive

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<sup>1</sup> SIFMA brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

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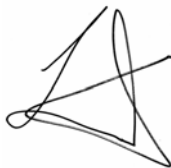
officer, or chief financial officer of a corporation, including a nonprofit corporation, or any person routinely performing such functions for a corporation." (Emphasis added.)

The term "vice president" is not a term of art with a set meaning in a given industry. There is no uniformity and no general understanding among companies as to the function of a "vice president" and the duties and responsibilities of the position can vary widely between companies. The title may be held by only a few senior level managers in some companies, while covering thousands of people in other companies, many of whom are not officers and have no managerial authority. The actual authority of someone with the title of "vice-president" is business and company specific and is not subject to any narrow definition.

In the explanation and justification for its proposed rule, ELEC states that the proposed definition of "officer" is based upon the definition of "corporate officer" which appears in Black's Law Dictionary (Eighth Edition) and upon Commission review of the provisions of Rule G-37 of the Municipal Securities Rulemaking Board (MSRB). The relevant portion of Rule G-37 covers Chief Executive Officers and members of a company's executive or management committee, or their functional equivalent. This reference reflects an intent to limit the definition of "officer" to those who have duties equivalent to members of a company's executive or management committee, which would help eliminate the inconsistent application of the rule if it is applied to anyone with the title of "vice president." Consistent with this analysis and ELEC's stated intent, SIFMA urges ELEC to clarify the term "vice president" to cover only such senior officers.

We appreciate the opportunity to comment on this rulemaking. If you have any questions concerning these comments, or would like to discuss these comments further, please feel free to contact me at 646.637.9230 or via email at [lnorwood@sifma.org](mailto:lnorwood@sifma.org).

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'L. Norwood', written in a cursive style.

Leslie M. Norwood  
Vice President and  
Assistant General Counsel