



# OFFICE OF ILLINOIS STATE TREASURER

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## **Treasurer Frerichs Statement on Wells Fargo's Decision to Adopt Shareholder Resolution Requiring Independent Board Chair**

**SPRINGFIELD** – Illinois Treasurer Michael Frerichs released the following statement today after Wells Fargo adopted an amendment to the corporate bylaws that requires the Board Chair be independent from the CEO. Frerichs co-filed a shareholder resolution with Connecticut State Treasurer Denise L. Nappier to require the change to Wells Fargo bylaws.

**“I am pleased to see Wells Fargo embracing change. This change to ensure accountability and stronger oversight will benefit everyone with an interest in the company.**

**An independent board chair, as well as board diversity, is vital to long-term success. I encourage other companies to embrace this change for the benefit of their employees, shareholders and customers.**

**While an important step forward, we need to continue to encourage companies to do the right thing for the right reasons.”**

In August, Frerichs suspended \$30 billion in investment activity with Wells Fargo after the bank acknowledged it improperly opened more than 1.5 million deposit accounts and over half a million credit card applications and violated the rights of military personnel by seizing vehicles without a court order.

Frerichs also suspended use of Wells Fargo as a broker dealer and ordered an audit to determine if, in addition to their other illegal activities, Wells Fargo violated Illinois' unclaimed property laws.

The suspension of investment activity with Wells Fargo will remain in effect for one year. After this period, an evaluation of Wells Fargo corporate governance practices will be conducted.

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**About the Illinois Treasurer**

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. The treasurer oversees a portfolio worth more than \$25 billion. It includes approximately \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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