

**STATEMENT OF ANNETTE L. NAZARETH OF
WASHINGTON, D.C. CONCERNING HER NOMINATION
TO BE A MEMBER OF THE UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

July 26, 2005

Chairman Shelby, Ranking Member Sarbanes, and Members of the Committee:

I am very honored to appear before this Committee today and deeply grateful to President Bush for nominating me to serve on the Securities and Exchange Commission.

I am delighted to be accompanied today by my husband, Roger Ferguson, and our daughter, Caroline. Roger is my partner in every aspect of my life, as well as my inspiration as a public servant. Caroline and her older brother, Roger, are a constant source of joy and pride and, despite their young ages, they provide wise and very honest counsel to their parents.

I am a passionate believer in the United States capital markets and the benefits to our nation and its citizens that come from a well functioning, appropriately regulated financial system. I have spent all of my professional life working in, for and with the financial services sector. My career has been primarily based in the securities industry, where for 12 years I worked in various investment banks and commercial bank affiliates. I have hands on experience helping businesses navigate the legal and regulatory requirements that industry faces. I have also gained an appreciation of the issues and challenges facing the securities markets and those who participate in them, whether they are brokerage firms, professional traders or retail investors. I believe that this first-hand experience helps me identify sensible and pragmatic solutions to issues. I am keenly aware of the cost of regulation and the importance of balancing these costs with the benefits that regulation seeks to achieve. Most recently I have served as Director of the Division of Market Regulation at the Securities and Exchange Commission and have had the opportunity to work closely with members of this Committee and the House Financial Services Committee on a multitude of securities related issues. I have also represented the Commission as a member of the Financial Stability Forum, which is comprised of central banks, finance ministry officials and other regulatory authorities. The Financial Stability Forum has the mandate to assess vulnerabilities affecting the global financial system and identify actions to address those vulnerabilities.

Finally, I must share with you the reverence I have for the Commission and its mission. As William O. Douglas so aptly put it, "We are the investor's advocate." In the United States we have the deepest and most liquid securities markets in the world. We also have the highest level of retail investor participation in the world. We are indeed an ownership society, and this is due in no small part to the confidence that investors rightly place in our markets. Integrity and transparency are the hallmarks of our financial

system. I believe that working together in a thoughtful manner, we can continue to maintain this preeminence and meet new challenges. I look forward to working with Chairman Cox and would hope to help forge consensus on many of the issues the Commission will face. I would be honored if you would permit me to be a Commissioner of the Securities and Exchange Commission.

Thank you for this opportunity to appear before you today. I would be pleased to answer any questions you may have.