



1 November 2002

The Honorable Harvey Pitt, Chairman
Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549

Dear Mr. Chairman,

We write on behalf of state PIRG members and other small investors to urge you to resign your position as chairman of the Securities and Exchange Commission. Recent revelations in the New York Times and other papers that you withheld from other commissioners material information about Judge William Webster's involvement in a serious audit failure strongly suggest a serious failure of your own to lead the nation's securities cops. By deliberate action, you have failed to either protect investors or maintain the integrity of the markets.

The information about Judge Webster's failure to adequately conduct his duties as chairman of the U.S. Technologies' board audit committee, which you withheld, would have caused any rational individual, especially a fellow SEC commissioner, to re-think his or her vote on Judge Webster's suitability to lead the board created by Congress to clean up our egregiously flawed system of auditing publicly-traded companies.

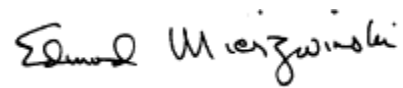
When the Congress delegated to you the role of selecting the members of the Public Company Accounting Oversight Board, the centerpiece to its landmark reform legislation, it expected you to select the most qualified individuals available. You were required to select individuals who not only "demonstrated commitment to the interests of investors and the public" but also had "an understanding of the responsibilities for and nature of the financial disclosures required of issuers under the securities laws and the obligations of accountants with respect to the preparation and issuance of audit reports with respect to such disclosures." Judge Webster's understanding of these responsibilities is obviously not adequate to make him the nation's chief independent watchdog and overseer of accountants. We don't question his integrity; after all, he told you about this.

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Further, in your apparent zeal to force Judge Webster's selection, you went out of your way to block a far more qualified candidate, TIAA-CREF executive John Biggs. Reportedly, this effort was at the request of the accountants and other opponents of reform.

Your actions blocking the Biggs nomination and withholding the defects in the Webster nomination demonstrate a serious lack of understanding of your responsibilities to the investing public. We believe that your resignation, along with the appointment of John Biggs to replace Judge Webster, are critical steps necessary to help small investors regain needed confidence in the markets.

Sincerely,

A handwritten signature in cursive script that reads "Edmund Mierzwinski".

Edmund Mierzwinski
Consumer Program Director

cc: Commissioners Atkins, Campos, Glassman, Goldschmid