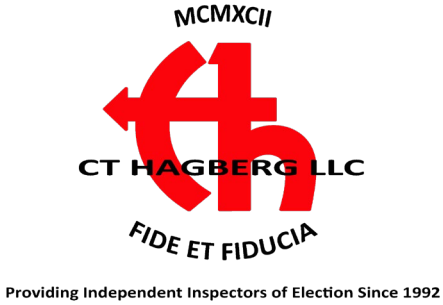

Brent J. Fields, Secretary, Securities and Exchange Commission

RE: File Number 4-725 November 2, 2018

Ladies and gentlemen;

I am pleased to submit some comments on the many issues surrounding the current proxy processing environment in advance of the SEC's November 15th Roundtable in the hope that they will be helpful to all interested parties.

My comments are based on my nearly 50 years of hands-on experience, initially as a manager of transfer agency, proxy distribution, tabulation, solicitation and proxy adjudication services. I have also served as an Inspector of Elections at literally hundreds and hundreds of shareholder meetings, including hundreds of proxy contests and numerous other situations where the margins between approvals and disapprovals of management or shareholder proposals were a mere one percentage point or less. Over the past 25 years, I have built and managed a team that now consists of approximately 40 expert Inspectors of Elections who, collectively, have acted at well over 20,000 Shareholder Meetings.

I also wish to offer a few comments and suggestions as a regular user of proxy voting systems as an individual investor, as custodian for the holdings of multiple

children and grandchildren and as a long-term writer and consultant on proxy voting issues.

I am also attaching my 2010 comment letter, most of which is still germane and on target today, I believe, but in this letter, I will try to focus primarily on Over-Voting and Under-Voting, "Empty Voting," Technology and Innovation (where I have reconsidered a few of my 2010 comments) and, very briefly, on Improving Retail Shareholder Participation.

OVER-VOTING OF SECURITIES

The SEC's recent Roundtable on Proxy Voting led by members of its Shareholder Advisory Committee marked the first time *ever* that all participants agreed that over-voting - and to a somewhat lesser extent, under-voting - were, indeed serious problems that warrant urgent attention.

Another of the most important points that came to the fore is that solutions will require the participation of *all of the professional participants* in the proxy distribution, tabulation, reconciliation and adjudication processes, including - especially - regular *lenders* of securities, and their custodian banks and brokers.

Here are some facts about over-voting that issuers, investors, vote tabulators, inspectors of election - and regulatory authorities need to know, and to focus on:

- Over-voting occurs in every shareholder meeting where there are open short-positions in existence on the record date for the meeting. This is the case at virtually every shareholder meeting held.

- Over-voting is due to a lack of clarity - and a set of firm rules as to the entities that are legally entitled to vote shares when shares are on loan over a record date - as well as the near-total lack of standard operational procedures that will prevent the issuance of duplicate voting credentials when shares are lent out by their owners.
  .

- Shares that are borrowed by short-sellers are usually sold *immediately* - in the expectation that they will be bought back and returned to the lender at a later date, when the price drops enough to lock in an expected and sufficient profit for the borrower.

- In the meanwhile, however, legal title to the shares - and the voting rights, of course - are transferred to the *buyer*, who immediately becomes entitled to vote them.

- But meanwhile, it is critically important to note that the *lenders' positions* are still *open* on the books of their custodian banks or brokers. And actually, under most current arrangements, they do indeed have a legal right to vote.

- Most facilitators of securities loans, however, are unwilling - and in many cases unable - to revoke the voting power of the lenders' shares if a record date for a shareholder meeting arises before the loan is repaid. And unless the loan facilitator tells lenders otherwise - and acts on it - they will continue to issue duplicate sets of voting credentials to both the lenders and to the borrowers - or to the people to whom the borrowers have sold the shares. The result is that many more voting entitlements are routinely distributed to potential voters than there are actual shares outstanding.

- Many institutions can and often do try to "re-call" their loaned shares, to be sure that they will be voted as they desire. But this is difficult to do, even when record dates are announced well in advance. And this, in any case, will require lending intermediaries to borrow from *other* investors prior to the record date, in order to prevent illegal "naked short sales."

- This gives rise to another, and very grievous shortcoming of the current system - which the SEC should move rapidly to prohibit: Very often, a major portion of the loaned shares are obtained by borrowing from the pool of a broker's retail investor voters - entirely unbeknownst to them. Often they are being deprived of some or all of their votes as a result - entirely unbeknownst to them - and totally without proper compensation, because of

fine print in brokerage agreement that allows brokers to lend any or all of a client's securities if the client signs up for margin-loan privileges - even if they have never borrowed a single penny.

- Aside from the lack of transparency - and basic fairness to retail investors - the SEC - and institutional investors too - should be highly concerned about this situation, since the interests of long-term retail investors are often closely aligned with those of long-term institutional investors - and *diametrically opposed* to those of proponents who want a quick sale, merger or breakup of the company.

- Quite aside from the shares that are borrowed by short sellers, many times, as statistical evidence concerning share borrowings just prior to meeting record dates convincingly shows, shares are also being borrowed by investors whose sole purpose is to exercise the voting rights - and who can usually do so, because of the lack of proper pre-reconcilement procedures at custodial banks and brokers. (See my 2010 comment letter, attached, for details)

- Borrowing shares to obtain voting rights is expressly prohibited by SEC rules, but obviously, enforcement has been entirely overlooked.

- Ironically, major pension investors - who are among the largest lenders of securities - and also among the major sponsors of shareholder proposals - often have their votes completely "offset" by the holders in due course that are created when shares are sold short.

- Worse yet, their shares may not be voted at all, totally unbeknownst to them, by the custodial institutions they use.

- And equally bad for institutional investors - in many situations, the votes of long-term retail investors are often being conveyed entirely or in part to shareholder proponents with entirely short-term agendas.

- *It is very important to note that most often, duplicate voting goes entirely undetected - because of the low number of votes that retail investors currently cast. No one will ever know there has been duplicate voting, unless and until the vote at a particular custodian bank or broker goes over 100% of their total position in the security. This very rarely happens except, guess when?? - In the most hotly contested elections!*

When last we commented on this subject, in 2010, we noted that a pre-reconciliation of voting entitlements was an absolutely necessary first step. And now, happily, there seems to be relatively little debate about this. Make no mistake about it: Reconcilements that occur after proxies and Voting Instruction forms have been issued and mailed, will inevitably cast-out over-votes in a total arbitrary manner.

Unfortunately - and there is no way around this that we can think of - a pre-reconcilement process that totally eliminates the likelihood of duplicate votes being cast will have to deprive securities lenders of their voting rights, which, by rights, they should still retain.

Accordingly, to solve the problem, securities lending agreements must be re-written - to make it crystal clear that in lending their securities investors are giving up the right to vote those shares, but also to stress, we would hope, that their votes have meaningful economic value. Shares should not be lent out lightly - especially when a shareholder meeting record date is on the horizon - nor should they be borrowed without reasonable compensation to the lender.

This, I believe, is the* only way *to solve this problem.

UNDER-VOTING

Under-voting, where attempts to cast votes go unrecorded, and/or intentionally cast out as over-votes, has become a fairly rare event in my recent experiences.

In the specific instance cited in the earlier Roundtable, it seems as if the investor, or perhaps their custodial bank, failed to properly re-title the shares in question, which puts the blames squarely on them, rather than on the proxy system itself.

But, as we pointed out in earlier comment letters, if valid voting credentials are received by the tabulator, the clear presumption should be that the position exists *somewhere* in the shareholder records and a diligent search - and ideally, a call to the voter should be made - in an attempt to turn what may *appear to be* an over-vote into a valid vote if at all possible.

The most common problem with under-voting is the very thing that happened here; a change of name that did not get recorded and consolidated with other open positions under the new name. Most of the better tabulating agents have built-in tables that will automatically associate shares registered with Chase Bank, JP Morgan & Co. - and even Manufacturers Hanover Trust - with today's JP Morgan Chase. In my long experience as an Inspector in contested elections, and especially in recent years, it is rare indeed to not find a proper home for a seeming over-vote.

It should also be noted here that the Delaware Business Code *requires* Inspectors of Elections to make inquiries whenever there appears to be an instance of over-voting - and to note all such instances, and the way they were disposed of - in the Final Report on the Voting. This - which is surely the best practice in all such cases - was apparently, not done in the P&G case in point - and, reportedly, in earlier contested elections as well.

While several participants in the earlier Roundtable discussion expressed concern that all of their votes may not always be recorded, it was also pointed out that Broadridge - which tabulates 90% or more of all votes at most meetings these days - has a vote-confirmation system that covers all street-side voting positions upon request. We also know that they - and several of the other best tabulators of retail investor votes - can and do offer vote-confirmations to cover retail investors as well.

The bottom line here, is for public companies to select their proxy tabulators and Inspectors of Election with care - and with* special care*, we say, if there is a

formal proxy contest - or if any of the outcomes are expected to be close or contentious. Institutional investors would be wise to make inquiries of issuers with proposals like these, and to insist on having highly-qualified tabulators and inspectors - and to insist as well on vote confirmations in such instances.

"EMPTY VOTING"

The Proctor and Gamble contested election cast the issue of so-called "empty voting" into high relief - and clearly indicated that regulatory reform is sorely needed.

In the specific instance cited, Employee Plan trustees had the right (but not a *duty*, in my opinion) to cast the votes of Plan participants who did not vote in proportion to the votes of all the participants who actually cast votes.

Employee ownership plans reportedly held 10% of all the P&G voting power. But, critically important to note, employee-owners typically cast less than 6% of the votes they are entitled to cast.

Still further, employee owners who cast votes usually vote overwhelmingly with management - and, in my long experience, many owners who *refrain from voting* do so because they do not favor one or more management positions, and are fearful of possible reprisals. This is not *always* the case, witness the employee-plan votes against Michael Eisner at The Walt Disney Co. some years ago, where proportional voting led to his departure, which illustrates the totally random elements that can be introduced with proportional voting.

Clearly, casting un-voted employee plan votes on a pro-rata injects a literal wild-card into the voting deck - which normally weighs heavily in favor of management positions: My own educated-guess is that pro-rata voting at P&G gave the management position a 5-6% percentage point advantage - in an election that was officially decided by a tiny fraction of 1%.

The SEC - and participants in the upcoming Roundtable - should move immediately to address this unconscionable situation.

It should be especially noted, at the outset, that the SEC ruled several years ago that because director elections could no longer be considered "routine matters" brokers would no longer be allowed to cast the uninstructed votes of clients - even when the election of directors is* not *being formally contested.

It should also be noted that many of the agreements that allow Plan Trustees to cast uninstructed votes proportionately have been in effect for many years, and would have to be re-written - although, perhaps, the SEC - or maybe better, the DOL - could rule that while the trustees may have a right to vote this way, they have a fiduciary duty to refrain from doing so if, in their best judgment, the rights of all shareholders might be impaired by so doing, which was surely the case at P&G.

TECHNOLOGY AND INNOVATION

A lot of advances have been made on the technological scene since the SEC's 2010 study and request for comments. Most of my original comments are still very much on the money in my view, but here is a summary of the most important issues as I see them - plus a few comments about earlier comments where I have changed my mind to a degree:

- The many negative comments about Broadridge's "monopoly" in the shareholder voting arena during the earlier Roundtable took me somewhat aback, since numerous entities have long been promising to build a better mousetrap, with few results to show to date.

- Accordingly, I still continue to think that some sort of re-bidding process should take place under SEC oversight, and, in fact, is seriously overdue - if only to satisfy all participants that fees are fair, and reasonable ones - and to

require naysayers to put up or shut up, as I challenged them to do over five years ago. Everyone loves a better, and cheaper mousetrap!

- I continue to think that the task of collecting and consolidating voter information is a "natural monopoly" - and I would be very surprised indeed if any other entity would step forward with a vision - and the time, money and other resources to offer an effective alternative to the existing system, which, we should note, is very well time-tested - very well-audited - and highly trusted by issuers and institutional shareholders alike to handle their most sensitive shareholder records dependably.

- A de-coupling of the data-consolidation and data-distribution and tabulation fees would, in my opinion, be useful. Even though, here again, I would be very surprised to see one or more serious new entrants step forward with well-developed proposals to compete against, or to replace Broadridge, I think the effort will be worthwhile - and would force all of the participants to think more deeply, and more *precisely*, about how to improve the proxy plumbing systems.

- With respect to my earlier endorsement of "pass-through voting" - while this is still a very simple thing to accomplish - the recent P&G proxy contest clearly illustrates that most of the many problems, deficiencies, errors - and omissions that were made - took place in the world of *proxies,* that were filed on paper proxy cards by registered holders. While a move to pass-through voting would greatly expand my own Inspector of Elections business, I could not, in good conscience, recommend that VIFs be replaced with proxy cards at this juncture.

- I continue to think that the NOBO/OBO system is in need of a completely fresh look - and a completely fresh sign-up opportunity: Aside from the fact that the sign-up process has been engineered from the very beginning by brokers and other custodial institutions to induce investors to sign up to object to having their names disclosed to issuers, I believe that enlightened issuers, and enlightened investors too, would gladly sign up to have their information disclosed for well-defined and proper purposes. What

reasonable investor would want to bar the door against hearing directly from the management of a company they own - and from hearing from the other side as well - in a proxy fight? Further, as I mentioned in the 2010 comments, many investors would *love* to receive coupons or special deals for shareholders only, or to get selected financial information, or new product updates - and would gladly grant permission to get self-selected information directly. Very important to note, the technology to support giving shareholders a much wider range of choices than merely "Objecting" or "Non-Objecting" to the disclosure of their names is available and easy to implement these days

- Regarding Blockchain technology as a potential "silver bullet" that will cure all the current proxy plumbing issues, as so many of the Roundtable participants seem to believe, I am totally unconvinced, for the reasons that can be found on my website in the 3rd Quarter issue of The Shareholder Service *OPTIMIZER*.

RETAIL SHAREHOLDER PARTICIPATION

In my 2010 comments I flagged the precipitous drop-off in retail investor voting as needing urgent attention. Seven years later, the drop-off continues apace, and the need for urgency has grown, in my opinion.

As I tried to point out then, most individual shareholders are already over-busy with their routine day-to-day affairs. Most of them do not have the time - or the patience - or the knowhow - to make their way through hundreds of pages of complex Proxy Statement information. And if investors need to retrieve the information themselves, via websites that are often user-unfriendly, retail voting drops even more precipitously. Most retail investors have little interest in most of the matters up for a vote - and no time, and no real idea as to how to make up their minds on such matters. Another major reason for failing to vote, many shareholders think that their holdings are "too small to matter." While more education may help - and while I am all in favor of it, and have actually written an educational brochure to explain how "Votes Have Value" - and how to make

voting easier - and habitual - so far, shareholder education has proven to be a largely fruitless effort.

The 'real answer' to improving retail investor participation - as I noted in 2010 - is repeated below:

- **The real answer here is a simple one: we MUST *re-define* and *simplify* and *shorten* the amount of information a shareholder REALLY needs to have in order to make voting decisions. And we have to place this information *"up-front"* and in a way that "closes the marketing loop" by allowing the shareowner to act on the spot.**

- **I urge the SEC to allow issuers to include an "executive summary" of the issues on the ballot - for inclusion with the "NOTICE" – and to present and deliver it in a way that will allow the shareholder to vote then and there:** Yes, you may have to issue some "guidance" to issuers and some warnings about potential misstatements or "unbalanced presentations." And yes, you probably do have to remind voters in bold print about where they can find more information if they feel they need it. But we need to remember that there's a lot more to life these days than voting proxies; so unless you make it *easier,* investors will continue to discard what has, increasingly, become true junk mail, largely thanks to that useless "Notice."

Once again, I am glad that the SEC is re-considering these complex but highly important matters and I sincerely hope that they will be placed near the top of the SEC's rulemaking agenda. I would gladly find time to discuss any or all of my comments at greater length.

Respectfully submitted,

Carl T, Hagberg

ATTACHMENT: Our 2010 comment letter

CARL T. HAGBERG AND ASSOCIATES

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Elizabeth M. Murphy, Secretary October 12, 2010

Securities and Exchange Commission

- VIA E-MAIL -

Re: File Number S7-14-10

Concept Release on the U.S. Proxy Voting System

Dear ladies and gentlemen of the SEC:

Congratulations on the very thorough, well-drafted and thought provoking Concept Release on the Proxy Voting System.

The document, and the many earlier comments and white papers that have been filed with you, many of which the Release cites, underscores the importance of having Proxy Voting Systems that operate smoothly, transparently, economically, and with absolute integrity. It also demonstrates how passionately most users of the system feel about the need for our proxy voting systems to operate in such fashion, how complex and hard to understand the current systems actually are, and how frustrated many users of the current systems are, when they perceive, as I do, that there are shortcomings, and parts that do not function as well as they should.

Having read the Release with care – and in the context of my 40+ years of hands-on experience as a manager of proxy distribution, tabulation, solicitation and proxy adjudication services – I would urge you first and foremost to take out and sharpen Ockham's razor as you review the many comment letters you are likely to get, and to bear in mind that the simplest explanations and the *simplest solutions* are likely to be the best and most productive ones to focus on. I will try to keep my own comments on the Release as short and as simple as I possibly can and confine them to the areas that I believe are most in need of fixing.

Over-Voting and Under-Voting:

It is clear from the discussion in the Release itself that "over-voting" takes place at virtually every shareholder meeting - because pre-reconciliations have not been done by each and every bank and broker custodian to assure that (a) there will be only one vote per share *issued* and (b) that all votes issued are issued only to the parties that are legally entitled to have the voting power.

Over-voting is, quite simply, untenable. Allowing it to continue makes a mockery of the idea of corporate democracy. There is ample evidence that people *do* try to "game" the system, since votes do indeed have value - especially when the voting outcomes have the potential to move the stock price, as often they demonstrably do. (See, for example, *"Vote Trading and Information Aggregation"* which is easily accessible on the Internet and which documents huge spikes in share purchases near meeting record dates and corresponding sales immediately thereafter). There is also a great deal of evidence that the "gamesters" quite often *succeed* in gaming the vote, since, (a) as the study pointed out, one can buy votes for about $6 per million votes and (b) vote buyers will vote 100% of the time, while long-term owners tend not to vote at all, which allows the voters with "duplicate voting credentials" not just to go undetected, but to have their way in terms of the election outcomes. It is especially important to note in the context of election "gaming" that the interests of short-term and long-term owners are, almost always, *diametrically opposed* in election contests.

The solutions here are simple ones:

- **Securities custodians must establish firm rules as to when, exactly, a client is entitled to *have* voting rights – and the rules must be clearly *communicated* to their clients – and followed faithfully:** If clients lose some or all of their voting authority because they have a margin account or a margin balance, they need to know it. If a securities loan causes some or all of a share owner's voting rights to pass to the borrower – clients need to know that too. If the custodian gets paid for "lending" a client's voting rights to someone else, the client should know that. If the client gets only some of the proceeds, or none, from such vote-selling arrangements, they should know that too. If clients have the right to recall any securities that have been lent in order to recover the vote, they need to know exactly how and when to do it. ***I believe that the SEC can – and should – act immediately to totally eliminate over-voting: Acting in concert with bank regulatory authorities, the SEC should require every securities custodian to have a set of rules that will spell out who, exactly, is to be entitled to vote under the variety of circumstances the Release details. The rules – along with a statement as to the effect on each beneficial owner's voting power, and what, if anything they need to do to retain full voting power – should be disclosed to clients in plain English at least once a year, but ideally, with every voting credential that is issued by banks and broker custodians.***

- **For the rules to work effectively, they must require securities custodians to perform a thorough *pre-reconciliation* before any proxies, Voting Instruction Forms or Legal Proxies are issued to potential voters, so that only the parties who are legally entitled to vote will receive voting instruments:** Post-distribution reconciliation efforts are simply not acceptable because they allow custodians to issue more voting rights than there *are* rights. But also worth noting, (a) the existence of "duplicate" voting rights is undetectable – unless and until the voting by a custodian's clients goes over 100%, which rarely happens, because of low individual investor voting, (b) post-distribution reconciliation takes place totally behind the scenes, with

no clear rules, no accountability and no transparency, (c) post-distribution reconciliation is, *by its nature*, entirely *arbitrary*, since clearly, if a true reconciliation could have been done, in line with a formal set of rules, it *would have been done* and (d) in my many experiences in dealing with over-votes - whether handled by a custodian or by the proxy tabulator – post-hoc reconcilements almost always award the vote to the wrong party: Many post-distribution reconcilers count the earliest votes cast and toss out the latest votes, which usually *should count* – or split the vote on a pro-rata basis, which produces a totally arbitrary and a legally invalid result, should someone discover it – and some tabulators throw out *all* the votes when there is an over-vote, disenfranchising the legally entitled owner altogether.

More and more corporate voting issues are being decided by the thinnest of margins these days. Voters, issuers and other proxy proponents need to have assurances that every vote will be counted correctly and that both the pre-reconcilement procedures and the final tabulating and judging procedures will be "rules-based" and completely auditable if questions or challenges to the reported results are raised.

Vote Confirmation:

We believe that it is easy and inexpensive to provide a vote confirmation to any shareholder who asks to have one, mainly because few people *will* ask to have one. As noted above, however, some voters ***may*** want to have a confirmation as to how their vote was recorded with respect to closely contested matters, or when there are "close" voting outcomes, and if so, they should be able to have them.

But much more important to voters, we believe, is the assurance that the system as a whole is operating effectively – and accurately – and that it is readily *auditable* if voting is "close."

There is a good and very simple solution here too, to greatly improve the transparency and auditability of proxy voting and tabulating systems:

- **The industry should do away entirely with the "Voting Instruction Form" that is currently being sent to street-name shareowners - and require each custodian to execute an "omnibus proxy" in favor of their beneficial owner clients - so that each beneficial owner will receive the company's own form of proxy – where, unlike with VIFs, its validity, or lack thereof can be readily discoverable and will be subject to the proxy rules of the issuing company's state of incorporation.**

This proposal was first made by the California Public Employees Retirement System, in a letter to the SEC dated November 3, 1989. It was endorsed in a September 1990 letter to the SEC that I signed as a senior officer at a major bank, and in subsequent comment letters I wrote as well, from the perspective of an Inspector of Election in closely contested elections. More recently it has been proposed and endorsed by the Shareholder Communication Coalition.

This is a very simple improvement to make. Aside from making the voting system much more transparent and far more auditable when there are close elections, I believe that consolidating the two processing and voting systems will also result in significant cost savings to issuers.

Proxy Distribution Fees:

Many people in the issuer community, and in the proxy mailing, distribution and tabulation businesses, have, since the early 1990s, been very loudly asserting that the fees that are currently authorized – with the explicit *consent*, I'd have to say, of the SEC – are simply "too high."

The current monopoly that exists with respect to the task of aggregating the names and addresses of beneficial owners for the purpose of issuing voting materials (which is a "natural monopoly" in my view) dates from a competitive bidding process that the SEC launched in 1984, and where the winning bidder was determined in 1985; 25 years ago.

Since then, as many issuers and many other service providers have been pointing out with regularity, distribution and tabulation technologies have changed radically – and many service providers have been asserting that they, or other vendors they are aware of, can offer the same or better services for less money as a result. It's time for them to put their money where their mouths are:

The time for a fresh look at proxy distribution, tabulation and processing methods – and the costs associated with such tasks – is clearly NOW…And the best solutions – along with the optimal cost structures too – are incredibly simple to come by:

- **The SEC should immediately launch a process to seek competitive bids for (1) the job of aggregating and making available to qualified entities the names of all beneficial owners who are entitled to vote in corporate elections and (2) for various other tasks such as the issuance and distribution of voting instruments and related materials and for vote tabulation services - just as the SEC did in 1984.**

- **The Requests for Proposals should specifically require a de-coupling of the "natural monopoly task" of aggregating names from all the other voting-related tasks. While clearly, the job of aggregating beneficial owner names can only be awarded to a single vendor, from practical and economic perspectives, a well-drafted RFP will allow qualified vendors to submit their own mix of service offerings, prices and price structures, so issuers can decide for themselves as to the providers of distribution, tabulation and related services that will serve their own needs best.**

Allowing the invisible hand of free-market competition the freedom to determine the "right price" for proxy distribution, tabulation and related communications services is not just the *simplest way* to deal with marketplace outcries for change; it is the *right thing* to do.

Communications with Shareowners:

I believe that the Concept Release, and this comment period, gives the SEC an *unprecedented opportunity*, and an excellent "jumping off place" from which to deal with *all* of the issues raised, but in particular, with the many complex issues surrounding the overall communications systems.

Here are the very simple steps I think the SEC can and should take, as soon as possible:

- **Use the rebidding process itself as an opportunity to thoroughly explore the idea, and the big dollar-savings that I believe will arise, from a unification of the "registered" and "beneficial-owner" processing streams.**

- **Use this same rebidding process to permit bidders to offer voters more *options* for having two-way communications with issuers, instead of continuing to rely on the totally outdated and outmoded "NOBO/OBO" designations. Today's technology allows consumers to make all sorts of choices as to what they do and do not want to receive, and as to *how* they want to receive various kinds of information.**

- **We need to recognize that most share owners have absolutely no reason to want their names to be a "secret" to the companies whose shares they've decided to own…as long as they are not "over-bothered" by them.** And this is something that "permission-based communications systems" – which are widely available – will completely resolve. Note too, that many shareholders WANT more communications with the companies they own – especially if they may get "special offers," coupons or "deals" – and especially, I think, when important business or governance developments are at issue.

- **The "opening up" of two way communications that I propose also presents a wonderful new opportunity to educate shareholders about the value of their vote -and about the voting process.** And if I am correct that a steadily growing number of investors will sign up for various kinds of emails, "alerts" and reminders from the companies they own, we will open up a major new way to educate investors about voting issues, and to get out their votes – via emailed messages, video clips, links to the voting site, etc. – as long as the shareowners consent.

- **We also have to realize that some shareowners DO want to keep their financial affairs private – to the extent they are legally entitled to do so – and that our communications systems MUST accommodate them.** I believe however, that as indicated above, the vast majority of share owners will consent to having their names revealed to issuers, as long as they have control over the kinds of communications they will generate by "consenting" – along with firm assurances that their names and addresses will be used only for purposes that they themselves authorize.

- **I do NOT believe, however, that shareholders who assert their rights to privacy should be forced to "pay extra" for the privilege, as some have suggested.**

- **Last but far from least in the context of communicating with shareowners, we must face up to the fact that the current system is clearly broken:** Over the past 10 years, voting by individual investors has gone down year after year.

- **The real answer here is a simple one too: we MUST *re-define* and *simplify* and *shorten* the amount of information a shareholder REALLY needs to have in order to make voting decisions. And we have to place this information *"up-front"* and in a way that "closes the marketing loop" by allowing the shareowner to act on the spot.**

- **I urge the SEC to allow issuers to include an "executive summary" of the issues on the ballot - for inclusion with the "NOTICE" – and to present and deliver it in a way that will allow the shareholder to vote then and there:** Yes, you may have to issue some "guidance" to issuers and some warnings about potential misstatements or "unbalanced presentations." And yes, you probably do have to remind voters in bold print about where they can find more information if they feel they need it. But we need to remember that there's a lot more to life these days than voting proxies; so unless you make it *easier,* investors will continue to discard what has, increasingly, become true junk mail, largely thanks to that useless "Notice."

Respectfully submitted,

Carl T. Hagberg

Chairman and CEO, Carl T. Hagberg and Associates