November 9, 2018

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: SEC File Number 4-725 on *Roundtable on the Proxy Process – Voting Process and Retail Shareholder Participation*

Dear Mr. Fields:

The Society for Corporate Governance (the "Society") appreciates the opportunity to provide comments in response to the U.S. Securities and Exchange Commission ("SEC" or "Commission") on the proxy process and related SEC rules in advance of the Roundtable on the Proxy Process.

Founded in 1946, the Society is a professional membership association of more than 3,600 corporate and assistant secretaries, in-house counsel, outside counsel and other governance professionals who serve approximately 1,700 entities, including 1,000 public companies of almost every size and industry. Society members are responsible for supporting the work of corporate boards of directors and the executive managements of their companies on corporate governance and disclosure matters.

Encouraging Retail Shareholder Participation

Beginning with his second speech[1] as SEC Chair, Chairman Clayton questioned how the Commission's proxy rules affect companies' beneficial owners, a majority of whom are retail shareholders. By the Staff's estimation, retail shareholders may own as much as 66% of Russell 1000 companies but are underrepresented in corporate governance. The retail shareholder is often not the voting shareholder, breaking the link between economic risk and voting power. Even when voting power is held by or passed through to the retail shareholder, non-participation rates are high. As Chairman Clayton stated, "This may be a signal that our proxy process is too cumbersome for retail shareholders and needs updating."

[1] "Governance and Transparency at the Commission and in Our Markets," November 8, 2017. https://www.sec.gov/news/speech/speech-clayton-2017-11-08

The Society shares and supports the Commission's interest in increasing retail shareholders' participation. The Society believes all investors should vote, and that many want to be able to vote under a proxy system that makes it seamless and easy for them to engage in shareholder democracy. In addition, we support efforts that would allow companies to identify, target and communicate with retail shareholders to encourage them to vote.

Based on information from Society members, retail shareholders often directly beneficially own as much as 30% of the shares of a company. However, if a company does not actively solicit retail shareholders it may see as little as 20% of those shareholders voting at meetings. In the recent proxy season, retail shareholders voted approximately 29% of their shares, compared to approximately 91% of shares held by institutional investors.[2] As the Commission is aware, retail shareholder voting participation has been trending downward for a long time.

Some commentators have suggested that companies should contact their retail shareholders through ways other than merely sending them proxy materials, and that companies should educate those holders on the importance of casting votes. While we believe many companies would like to contact and communicate with their retail shareholders, numerous impediments in the current proxy system discourage companies from taking additional steps to communicate directly with retail investors. Moreover, companies are not able to justify the costs and resources needed to engage in such communications, particularly in the case of routine meetings. As we explain below, even the initial process of learning the identity of individual retail investors, including those who do not object to sharing their names with companies, is often exorbitantly expensive.

To increase retail shareholder participation, we need to (among other things) evaluate the current barriers in the system that make it both complex and costly for companies to conduct outreach. In addition, enormous opportunities are available to harness existing technology that may prove to be both much more reasonable for corporate budgets, as well as appealing to retail investors, especially for the many retail investors that have become familiar and comfortable with using technology in many other aspects of their lives.

We set forth below several suggestions that we believe would increase retail shareholder voting and improve the proxy process generally.

<u>Allow the Inclusion of a Proxy Card or Voting Instruction Form (VIF) under Notice and Access</u>

While the Society initially supported and continues to support the Notice and Access delivery model for proxy materials, we believe that the rules surrounding Notice

[2] Broadridge; Proxy Pulse https://proxypulse.broadridge.com

and Access should be revised to permit the inclusion of a proxy card or VIF with the initial Notice of Internet Availability.[3]

The Notice and Access model has dramatically decreased the waste involved in printing proxy materials and saved millions of shareholder dollars in printing, transportation, warehousing and mailing costs, while assuring that shareholders timely receive important information regarding their right to vote. However, the prohibition against including a proxy card or VIF with the Notice of Internet Availability imposes a waiting period and additional burden on shareholders before they can execute their proxy -- i.e., vote their shares. As a result, retail shareholder voting rates have dropped significantly (and have remained low since these rules were effected) -- only 5% of retail investors who receive a paper Notice vote their position, compared to 31% of investors who receive a full package of proxy materials (including the full proxy statement and a proxy card or VIF).[4] The Society strongly believes that retail voting participation would improve if issuers could include a proxy card or VIF with the Notice of Internet Availability or permit the Notice itself to be used for voting.

The rationale for omitting a proxy card or VIF was that shareholders should have time to access proxy materials online or to request and obtain hard copies of the proxy materials before signing a proxy card. We agree that this is a worthy objective; however, this regulatory-imposed delay has become increasingly outdated with advances in technology and widespread use of the Internet and adds yet another disincentive to retail holder participation in the voting process. Accordingly, and given that the proxy materials are available on or before the mailing of the Notice of Internet Availability, we urge the Commission to revisit this issue and recommend permitting the inclusion of a proxy card or VIF with such Notice.

Support Voting via Technology Platforms

Currently, there are three general methods that retail shareholders can use to vote once they have received their proxy card or VIF: (i) access via an email or log onto a website and enter a control number (and/or a personal identification number) for identification; (ii) call a toll-free number and enter a control number for identification; and (iii) complete the proxy card or VIF and send it back.

Voting analyses by Broadridge indicate that electronic delivery to retail investors yields improved voter turnout compared to a mailed Notice; 8.4% of retail investors who

[3] The Society has supported this modification of the Notice & Access rule as early as a letter dated November 20, 2009. Available at https://www.sec.gov/comments/s7-22-09/s72209-14.pdf. We reiterated this recommendation in our comment on the Proxy Plumbing Concept Release. Letter dated November 3, 2010 at 4. Available at https://www.sec.gov/comments/s7-14-10/s71410-260.pdf

[4] https://www.broadridge.com/_assets/pdf/broadridge-10-year-distribution-and-voting-analysis.pdf

received their ballots electronically voted, compared to 5.0% of retail investors who received a paper Notice.[5]

Based upon this data, we suggest that the Commission should support the use of – or, at a minimum, experimentation with – other innovative platforms that may support greater retail engagement in the corporate governance process. We also suggest that the Commission promote further studies on voting behavior to explore ways to improve the familiarity with and encourage the use of electronic communications and voting platforms, which in turn will increase retail voting participation.

Permit the Use of Standing Voting Instructions (SVI)

The Society has long supported allowing shareholders to execute standing voting instructions (which can be revoked or modified at any time), as is commonly the case in investor-broker relationships outside of the corporate proxy voting context.

SVI is not a new idea; it was previously dubbed "Client Directed Voting" (CDV) and "Advanced Voting Instructions" (AVI). It has been discussed at previous Commission roundtables and advocated in numerous comment letters. Recently, Professor Jill Fisch's Minnesota Law Review article, "Standing Voting Instructions: Empowering the Excluded Retail Investor"[6] thoughtfully addresses these issues and concludes that SVI is an appropriate means for improving retail participation. Just as important, Professor Fisch suggests that SVI would enhance retail shareholder engagement in corporate governance – a goal the Commission should embrace wholeheartedly.

The Society recognizes that implementation of SVI/CDV would need to be overseen by the Commission. We also understand that some brokers may not wish to offer SVI/CDV, primarily due to cost considerations. However, steadily decreasing levels of retail owner voting participation suggest that, at a minimum, the Commission should remove impediments to the implementation of SVI/CDV. We urge the Commission to take a fresh look at the SVI/CDV issue, which could include creating a pilot project to more closely examine this potential.

[5] https://www.broadridge.com/_assets/pdf/broadridge-10-year-distribution-and-voting-analysis.pdf

[6] Standing Voting Instructions: Empowering the Excluded Retail Investor, 102 Minn. L. Rev. 11 (2017). Available at https://www.sec.gov/comments/4-725/4725-4186360-172732.pdf

Voting Process and Technology Enhancements Opportunities

EDGAR-Related Technology Enhancement Opportunities

The Society supports the Commission's ongoing EDGAR Redesign Program and believes that updating EDGAR provides many ways to improve the proxy process and enhance disclosure generally.

As a general matter, we urge the Commission to consider how any EDGAR redesign can facilitate a framework that provides for a "company profile" consisting of information that does not change significantly from one filing to the next (but could be updated by the company as appropriate), thereby freeing up the proxy statement to be focused on more decision-useful information. Commissioner Kara Stein has spoken about the possibility of such a holistic redesign for EDGAR, including incorporating structured data into EDGAR or creating company dashboards.[7] A redesign that eliminates or reduces the repeated filing of the same information could result in cost savings for companies and allow them to focus investors on information that is new or updated.

Another issue worthy of consideration is Regulation S-T Item 304, which currently requires companies to provide a "fair and accurate narrative description, tabular representation or transcript" of any graphic, image, audio or video material in a document that is not reproduced in the EDGAR-filed version. Some companies use audio or video files in connection with proxy solicitations, including video proxy materials posted to annual meeting websites and investor calls or video messaging in connection with merger approval votes. When these materials are required to be filed as additional proxy materials, companies incur expenses to prepare transcripts for the filing. We understand that the transcript requirement addresses the Commission's concern that the material be searchable. However, technology for searching the full text of spoken words in audio and video files is now available. The Society would support the Commission considering whether technology could be used to allow issuers to file audio and video files and avoid the time and expense of preparing transcripts for filing.

In addition, the Society requests that the Commission consider ways to make it clearer when proxy-related filings are made by parties other than the issuer. For example, notices of exempt solicitation by non-management and proxy soliciting materials filed by non-management appear in the EDGAR feed of the subject company, but it is not readily apparent on the face of the company's EDGAR page that the materials are posted by a party other than the company.[8] The Society urges the Commission to consider ways that

[7] Kara Stein, Disclosure in the Digital Age: Time for a New Revolution (May 6, 2016), available at https://www.sec.gov/news/speech/speech-stein-05062016.html.

[8] The Society recognizes that the Commission issued Compliance and Disclosure Interpretations in 2018 regarding cover page requirements for notices of exempt solicitations to prevent such solicitations from being misleading for shareholders. We believe additional steps could be taken to make company EDGAR pages more clear with respect to the party making each filing.

the EDGAR company page could more clearly indicate when filings are made by third parties.

The Society hopes that the Commission will continue to consider ways that technology and innovation can make the proxy process more efficient, less costly and burdensome for companies. As restrictions that were relevant in the past, such as the inability to file audio or video files on EDGAR, become dated, we look forward to appropriately-vetted rule changes that allow companies to take advantage of new technologies.

Blockchain and Distributed Ledger Technology

As a general matter, the Society and its members support technological innovations that decrease costs, enhance transparency, and simplify logistical and operational processes. The concepts and initiatives incorporating blockchain and distributive ledger technology in the proxy process sound promising. The Society is interested in the potential this technology may have on the proxy process and looks forward to continuing to discuss this potential with interested stakeholders.

Institutional Equity Ownership and Form 13F

Under Section 13(f) of the Securities Exchange Act of 1934, any registered investment adviser with discretion over client accounts having an aggregate fair market value of more than $100 million in assets must file a Form 13F. Form 13F reports the adviser's holdings of all Commission-registered securities as of the last trading day of each quarter. Form 13F must be filed no later than 45 calendar days after the quarter end. The filing and disclosure requirement set forth in Section 13(f) is a general disclosure requirement meant to provide quarterly information to markets about long positions in registered equity holdings. As such, short positions and option positions are not included in the information disclosed on Form 13F.

The purpose of this form and disclosure requirement is to allow investors to use and evaluate the investment activities of large institutions and the impact of institutional managers in capital markets. However, the 45-day gap between the reporting date and the filing date makes it difficult for a company to fully understand the make-up of its investor base. As a result, the current disclosure regime, which allows for *eventual* disclosure rather than *real-time* disclosure, appears to undermine the primary goal of the Form 13F disclosure requirement, which is to facilitate consideration of the influence and impact of institutional managers on the securities markets.

Further, as referenced above, Form 13F provides information related to long positions in registered equity holdings and lacks sufficient detail surrounding short positions and option holdings. There is no information provided related to the number of shares on loan, including whether such shares will be recalled or not in order for the institutional manager to cast votes on significant company matters presented to shareholders. As a result, more transparency around the amount of equity ownership and share lending is needed and desired by issuers and investors. Under the current system,

an investor may be voting a number of shares vastly different from, and most likely substantially less than, what the equity ownership report indicates in the most recent Form 13F filing. This makes it extremely difficult, particularly in cases of close votes, for companies to anticipate voting outcomes or determine how to target shareholders for engagement purposes.

The Society firmly believes that both issuers and investors would benefit from decreasing the lag time related to equity holdings reported on Form 13F and expanding the information included on Form 13F by providing more complete disclosure of share lending, share borrowing and voting ownership unaccompanied by economic ownership. Information related to share lending may have been immaterial in the past, but given the current rise of shareholder activism and the importance of shareholder voting as an effective governance mechanism, omitting information related to share lending from required disclosure reports filed by institutional managers provides a significant barrier to fair and accurate equity ownership information and thus no longer makes sense.

Improved Disclosure of Fund Voting and Form N-PX

Under the current disclosure regime, investment companies registered under the Investment Company Act of 1940 are required to file Form N-PX reports with the Commission not later than August 31 of each year, disclosing proxy voting records related to their portfolio securities for the most recent twelve-month period ended June 30. The information provided in Form N-PX reports may be used by the Commission in its regulatory, disclosure review, inspection, and policymaking activities.

Companies also use Form N-PX reports to discern how their major investors voted. Form N-PX filings provide valuable insights into how a significant portion of a company's shareholder base voted at the last annual shareholders' meeting; however, Form N-PX reports are complex and can be time consuming to analyze. In fact, under the current disclosure regime, many companies must hire advisors – at additional expense to all shareholders – to go through Form N-PX reports to determine how their major shareholders voted and compile an analysis of those shareholders and their positions on the items voted on at the meeting. This analysis, and an understanding of investors' voting positions, has been important for many years; however, it has become critical in an era when investors expect companies to engage based on a knowledge of the institution's voting policies and practices. As a result, we believe N-PX reports need to be clearer and easily understandable and should be expanded to cover a broader group of shareholders – namely, all shareholders who file Form 13Fs, rather than just mutual funds.

The SEC's 2010 proposed rule, "Reporting of Proxy Votes on Executive Compensation and Other Matters (File No. S73010)" proposed to expand the N-PX filing requirements to investment advisors, and would have increased the scope of the data to be included in the N-PX by both investment advisors and mutual funds. The proposed rule would have required disclosure of (1) the number of shares the reporting person was entitled to vote (for funds) or had or shared voting power over (for institutional investment managers); (2) the number of those shares that were voted; and (3) how the

reporting person voted those shares (e.g., for or against proposal, or abstain; for or withhold regarding election of directors) and, if the votes were cast in multiple manners (e.g., for and against), the number of shares voted in each manner. This was "intended to improve transparency of fund proxy voting records and enable fund shareholders to better monitor their funds' involvement in the governance activities of portfolio companies."[9]

The Society supports amendments similar to those considered above to Form N-PX in addition to requiring the disclosure of shares not voted because the securities were on loan or for some other reason. We believe shareholders and companies have a compelling interest in knowing if a particular fund is not casting such votes for all its shares because the fund made the decision to lend securities during a period of time that includes the record date for voting. In the context of closely contested proxy items, companies and other shareholders have a strong and legitimate interest in understanding the likely voting power of a particular fund. In this regard, we are aware that N-PX filers have objected to disclosing shares not voted on grounds that such information is proprietary and confidential. However, since it is reported after-the-fact and on an aggregate basis, any concerns about confidentiality regarding business matters should be alleviated. It is important for other shareholders, and the company, to be aware of and able to account for all votes.

Similar to the timing issue with respect to Form 13Fs, there is a timing disconnect for many companies between when Forms N-PX are required to be filed relative to the date of their last annual shareholders' meeting. As stated above, Form N-PX reports are required to be filed by August 31 of each year. For companies with a December 31 fiscal year-end and a spring annual meeting, there is a delay of several months between when votes are cast and voting positions are disclosed by funds. In part as a result of this gap, investor engagement tends to be reactive to past voting patterns, rather than proactive to address issues currently facing the company and its shareholders.

In summary, the additional time and expense in analyzing complex Form N-PX reports, the delay in voting positions being made available, and the lack of transparency into certain investors' positions inhibit effective shareholder engagement and justify modernizing Form N-PX.

Reexamination of the OBO/NOBO System

It has become the conventional wisdom that most public companies focus the majority of their attention on their institutional owners compared to their retail shareholders. Our experience indicates that public companies would prefer not to ignore or effectively disenfranchise their retail shareholders, but rather are rationally responding to the cost, inconvenience and other difficulties involved in communicating with them and soliciting their votes.

[9] https://www.sec.gov/rules/proposed/2010/34-63123.pdf

For example, a number of companies that have not implemented Notice and Access decided to forego the cost savings and other benefits that can be achieved through that proxy materials delivery model because implementing it would widen the communications gap that already exists between the company and its retail shareholders. We believe that gap is largely a result of the "OBO/NOBO" system.

The OBO/NOBO system was put in place many years ago to preserve the privacy of beneficial owners wishing to remain anonymous. While some beneficial owners may wish to remain anonymous, the prevalence of the desire for anonymity is far from clear.[10] And even assuming the need for beneficial owner anonymity, many believe the technologies developed in the years since the OBO/NOBO system was implemented render the system unnecessary. As a result, a number of organizations, including the Council of Institutional Investors, support the elimination of the system.[11]

A September 2018 presentation by the Chief Legal Officer and Secretary of The Procter & Gamble Company to the Commission's Investor Advisory Committee illustrates many of the challenges to retail shareholder communications and voting presented by the OBO/NOBO system:[12]

- "Communication [with our beneficial owners] is…hindered because the SEC's OBO/NOBO rules prevent companies from having access to the names of most of our investors…. [W]e have no way to communicate with them directly…. [P]aper mailings are filtered through their brokers, with no real way for issuers to confirm whether those mailings were handled properly. While consumer privacy is important and should be respected, the structure of the OBO/NOBO rules should be reviewed."

- "If we want retail shareholders to vote, we must give them a convenient and user-friendly method by which to vote. Online voting works fairly well, but only if the shareholder has the right control number to login. While control numbers are included in the mailings, shareholders often misplace or accidentally discard them, and replacing them is not easy. For beneficial owners, Broadridge generates and keeps these numbers, and is typically unwilling to provide replacement control numbers by

[10] See Beller and Fisher, "The OBO/NOBO Distinction in Beneficial Ownership", Council of Institutional Investors, 2010 ("Beller and Fisher"), available at https://www.sec.gov/comments/s7-14-10/s71410-22.pdf. See page 1, "Shareholders are often said to have a privacy interest that is served by the current framework, but a 2006 survey casts doubt on this assertion".

[11] "On balance, we believe that the immediate interest of shareowners and companies in better communications would be better and more effectively served with an incremental approach that promotes less reliance on — or eliminates altogether — the OBO/NOBO distinction and otherwise increases the potential for direct communications." Beller and Fisher, page 2.

[12] See commentary on retail voting participation given by Deborah Majoras, Chief Legal Officer and Corporate Secretary of The Procter & Gamble Company at the Commission's Investor Advisory Committee's panel discussion on proxy voting infrastructure, available at https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac091318-deborah-majoras-opening-remarks.pdf

email or phone. Rather, the beneficial owner must go back to the DTC Participant, which then contacts the voting intermediary, which then mails the number to the beneficial owner in hard copy. Requiring a separate control number rather than utilizing existing personal data is so cumbersome that many shareholders simply give up. And for a shareholder outside the U.S., waiting for a control number by mail often means not receiving one in time to vote, thus depriving some of their voting rights. **In an age when many consumers do everything online, from banking to purchasing a car, we must find a more efficient yet secure way for shareholders to vote their shares.**" (Emphasis added.)

- "For those shareholders who vote by proxy card, the card has multiple opportunities to be disqualified, particularly when names or titles are slightly mismatched or shares are held in trust accounts. We have many examples of errors made and proxies disqualified."

- "For beneficial owners, it is even uncertain whether their votes will actually be executed, because those votes must be filtered through brokers or other custodians, and there is much room for error."

The OBO/NOBO system is also costly and cumbersome. Some observations follow:[13]

Where the NOBO information is not furnished directly to the issuer by the member organization but is furnished through an agent designated by the member organization, the issuer is expected to pay the following fee to the agent, subject to a minimum fee of $100 for each requested list:

- 10¢ per name for the first 10,000 names or portion thereof;
- 5¢ per name for additional names up to 100,000 names; and
- 4¢ per name above 100,000.

It takes time to get a NOBO list; among other things, NOBO lists facilitated by Broadridge[14] are not sent electronically:[15]

- The list is sent to the issuer (c/o the Corporate Secretary) via a Compact Disc (CD) which contains an Excel list that can be downloaded.
- Upon submission of a NOBO list request in good order, the request will be processed and a letter containing an encryption password will be shipped on the

[13] https://www.sec.gov/rules/sro/nyse/2013/34-68936-ex5.pdf

[14] NOBO list processing provided by other agents may utilize a different process, but Broadridge provides this service for most brokers and custodians.

[15] https://www.broadridge.com/resource/annual-meeting-handbook

record date via overnight delivery to the attention of the "Corporate Secretary" at the issuer's corporate offices as identified by EDGAR.

- This password is used to access the NOBO data contained on the NOBO CD which is shipped separately to the shipping address requested on the NOBO request form five business days following the record date. It is the recipient's responsibility to obtain the password from the issuer's corporate secretary. This is the only means of retrieving the password.

The foregoing illustrates some of the burdens imposed upon companies and their retail owners by the OBO/NOBO system. In view of evolved technology and the "opportunity costs" involved, historical privacy concerns purportedly underlying the system should be examined/re-examined to determine whether and to what extent they remain legitimate concerns. Given the negative and consequential implications on retail voter participation, we join with organizations such as the Council of Institutional Investors in urging the abandonment of the system. At a minimum, we believe the Commission should initiate efforts to have companies, brokers, and banks alike investigate new means to protect privacy while enabling companies to communicate with and facilitate voting by retail owners.

Continue to Support More Effective Disclosure

The Society supports and appreciates the Commission's ongoing disclosure effectiveness efforts, which we believe will – among other things – increase retail shareholder participation in the voting process. Institutional and retail shareholders inform our members that they are sometimes challenged by the increasing length and complexity of proxy materials, and we believe streamlining these and other disclosures can be accomplished without any diminution in investor protection.

As noted in the Society's comments on the Commission's proposing release on "Fast Act Modernization and Simplification of Regulation S-K"[16], we believe that one important element of more effective disclosure is greater reliance upon the Internet, and that the Commission should not only allow, but also should encourage, greater reliance upon the Internet as a platform for proxy and voting disclosure.

Commission pronouncements and interpretations over the years have discouraged the use of hyperlinks, whether to company websites or other information. These pronouncements can be interpreted as indicating that use of a hyperlink or a reference to a website somehow brings into a Securities Act or Exchange Act filing every statement on the linked site, regardless of its pertinence to the disclosure in question or how clearly the link (or the information at the link) is circumscribed. The SEC's concerns with websites have created the impression that when a company refers to or incorporates from its website, it must "proceed at its peril", which no longer seems appropriate. Greater use of websites would eliminate duplicative disclosure, facilitate "layered" disclosure (discussed below), enhance easy accessibility of information, and make Exchange Act

[16] https://www.sec.gov/comments/s7-08-17/s70817-2915430-161842.pdf

filings more effective. Moreover, to the extent that companies' websites contain information or language that is arguably inappropriate for purposes of Securities Act or Exchange Act disclosure, it seems more appropriate for the SEC to provide a safe harbor or for a company to correct its website than to effectively prohibit or discourage use of this forum entirely.

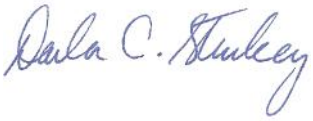
In short, we believe that by encouraging the use of linked information or website references, the SEC will help reduce the volume and redundancy of "written" filing disclosures and make information on websites more readily accessible. In many cases, company websites contain "basic" information that rarely changes from period to period; companies should be better able to refer to or incorporate by reference from their websites so that this basic information need not be included in disclosure documents, thereby enabling investors to focus on what has changed or on other, more significant, disclosures. While hyperlinks or references to websites may not always substitute for disclosure, they would enable registrants to illustrate points and expand the scope of disclosure to the extent they deem appropriate, and would afford those investors who are interested the opportunity to learn more without increasing the length or complexity of disclosure for investors who are not interested in further information.

Greater use of the Internet would also facilitate "layered" disclosure – first providing summarized information and then providing more detailed information, which provides readers more choice as to what level of detail they are interested in reviewing. Today, some companies already incorporate layered disclosure techniques within Exchange Act filings – one example of this is the inclusion of a proxy summary in the front of a company's proxy statement. We believe there are a number of ways the SEC could further encourage layered disclosure to make disclosure more "effective," thereby providing shareholders with the information they most need or want to read, in a manner that is easily digestible. This approach would also help reduce duplicative disclosures. For example, today, companies are required to post extensive information about their board committees on their websites, including committee charters, that changes little or not at all from year to year. Yet proxy statements continue to include (and are required to include) similar and in many cases identical information about committees and charters. This duplication does not appear to serve any purpose and places burdens on companies and investors alike. Conversely, when changes occur and websites are updated, proxy statement disclosures quickly become stale, particularly when reporting on prior year circumstances to/through the date of filing.

We believe that steps such as those outlined above would be among a number of process changes that would increase retail shareholder voter participation and enhance the voting process for investors generally.

We look forward to remaining engaged with the Commission and Staff as your efforts towards improving the voting process and increasing retail shareholder participation continue.

Respectfully submitted,



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