

November 14, 2018

Brent J. Fields. Esq.
Secretary
Securities and Exchange Commission
100F Street, NE
Washington, D.C. 20549-0609

RE: Comments on 4-725 Roundtable on the Proxy Process

Egan-Jones welcomes the focus on the proxy advisory industry and believes the industry is in dire need of attention. We originally sought guidance from the Commission via a “no-action letter” on the conflicts stemming from providing consulting services to corporate issuers. As a classic case of unintended consequences, the no action letter was misconstrued as a means for enabling the conflicts to persist. Egan-Jones concerns about conflicts of interest 14 years ago remain valid today and we welcome the opportunity to work with the Commission to address them.

Maintaining a sound, robust corporate governance system is critical for the country’s economic future. We believe there are two fundamental problems facing the industry which have wide-ranging pernicious effects:

- **Restricted Competition** - the barriers to entry in the industry are substantial because of the massive operational pressures associated with gathering, researching, writing, issuing and voting proxies in a timely manner during the relatively truncated proxy season. Additionally, the platforms used for voting and managing proxy restrict access to two firms.
- **Conflicts of Interest/ Lack of Independence** - in our view, proxy advisors providing advice to institutional investors on how to vote proxy should have “clean hands”, that is have no conflicts in representing clients. Furthermore, we believe that the use of Proxy firms that engage in consulting is a clear violation of investment advisors’ fiduciary duties.

To address these problems, we believe the following will significantly improve conditions:

- **Prohibit Consulting and Related Services** - the business of directly or indirectly providing consulting services is generally viewed as a shakedown of corporations and should be stopped. Additionally, voting platforms should be separated from

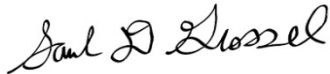
proxy advisory firms and deal in a fair and open manner with all proxy advisors (currently it is being used in an anti-competitive manner to extend one monopoly into another monopoly.)

- **Provide an Appeal Process** – issuers should be given the opportunity to review a draft copy of reports prior to their release. If issuers disagree with the analysis and/or recommendations of the proxy advisor, they should be provided the opportunity to state their dissent.
- **Encourage Independence** – proxy advisors should be fair arbitrators of what is in the interests of investors.

Egan-Jones has been active in the proxy advisory area since 2002 and does not engage in proxy consulting services.

Our methodologies <https://ejproxy.com/methodologies/> are publicly available. Egan-Jones is owned by its managers and is not affiliated with any group with an activist's agenda. We are supportive of efforts to address the afore-mentioned problems.

Respectfully yours,



Saul Grossel

COO

Egan-Jones Proxy Services