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VIA ELECTRONIC DELIVERY TO: Rule-Comments@sec.gov

November 14, 2018

Brent J. Fields
Secretary
United States Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File No. 4-725, SEC Staff Roundtable on the Proxy Process
To be convened on November 15, 2018

Dear Mr. Fields:

We write to provide comment on File No. 4-725, the SEC Staff Roundtable on the Proxy Process (the "Process" or "Roundtable"). Investor Voice is an industry strategist and consultant, which in the past decade has advised public funds, mutual funds, and other institutional investors that collectively represent more than $223.7 billion in invested capital.

We are concerned about the Process, initially and primarily, because our observation is that the U.S. Securities and Exchange Commission ("Commission" or "SEC") has been pressed into this Process under false and misleading pretenses. Specifically, the SEC's review appears to be largely in response to the loud (though demonstrably false) demands and assertions of the U.S. Chamber of Commerce (the "Chamber"), the Business Roundtable ("BRT"), the National Association of Manufacturers ("NAM"), and the so-called Main Street Investors Coalition ("MSIC") – each of which act with a decided conflict of interest in regard to this matter, and none of which represent the constituency that the SEC is mandated to serve.

In stark contrast, a number of the investors and investor organizations who have thoughtfully commented on the Process do, in fact, have a mission that is aligned with, and serve clients or members who actually are the constituency that the SEC has a legal mandate to serve.

Leaving aside for now any further commentary or analysis on how the SEC may have come to this divide – acting in response to voices whose interests are counter to the Commission's established mission – Investor Voice will herein submit a set of brief comments in advance of the Staff Roundtable, and will be available to provide more in-depth commentary subsequent to the Roundtable.

In brief, the Rule 14a-8 shareholder engagement process is a key stockholder ownership right which, for the vast majority of investors, is the only means of communicating – either with a company or with other investors. Rule 14a-8 (the "Rule") is a nuanced, thoughtful, and highly polished set of processes and procedures that well serve its original, intended, and proper constituency. What's more, it has faithfully and appropriately done so for quite a number of decades now.

We firmly believe there is no need to revise the existing rules that govern the proxy process... unless it would be to curb the gamesmanship that is liberally engaged in by issuers and their outside counsel.

Several points, in brief:

1. **Ownership.** A $2,000 threshold is reasonable, and actually is commensurate with a geometric line between its historical value and today's figure.
    - Chamber, BRT, NAM, and MSIC representations regarding 1% ownership thresholds are patently absurd, and repugnantly self-serving.

2. **Resubmission thresholds.** The 3%-6%-10% resubmission thresholds are also imminently reasonable. New issues take time to gestate and to form in the public consciousness – especially given the eight levels of structural bias[1] that exist against new issues on a ballot – and for multiple key reasons it is critical that time be allowed for this gestation to come to fruition:
    - The fact of the matter is that too often to count, keenly observant stockholders have been the emerging-risk early warning system for fellow shareholders, boards of directors, and corporate management teams.
    - Risk avoidance equates with cost reduction, which equates directly with earnings enhancement.

3. **Cost.** In light of #2 above, the shareholder engagement process does not cost money, it saves and can even make money for companies wise enough to listen to the investor voice.
    - Even were one to blindly accept the absurd cost figures propagated by the Chamber, BRT, NAM, and MSIC, simply compare them to the exponential growth of corporate capitalizations, revenues, and executive pay packages.
        - The trajectory of shareholder engagement costs is so minor relative to these that they may reasonably be deemed de minimis and inconsequential.
    - In addition, companies have at their disposal two excellent means of reducing if not eliminating the cost of engaging with shareholders:
        - They could talk to shareholders rather than thwart them, leading to the efficiency and potential profit enhancements noted in #2 above.
        - They may dismiss exorbitantly priced outside law firms and save untold sums in questionable legal charges.

4. **Ownership rights.** Shareholder engagement is an essential right of stock ownership – it is part of the indispensable bundle of rights that accrue to stockholders. To arbitrarily curtail or eliminate that right would constitute a taking from stockholders, and cause irreparable harm to the capital markets system.

[1] See pages 6-7: http://www.newground.net/Docs/Financial-CHOICE-Act-Letter-2017.0426.pdf

5. **Companies benefit.** Shareholders that engage with companies make them better, and shareholders who file large numbers of proposals make a larger number of companies better.

    - However, with conflicts of interest firmly in place, the Chamber, BRT, NAM, and MSIC categorically charge 'abuse' against small active shareholders whose proposals routinely earn absolute majority votes, or a majority of independently voted shares (those voted outside of management control or influence).

        - If the proof of the pudding is in the eating, the outstanding votes achieved by these filers should not be reviled – their success in convincing fellow shareholders (with only 500 words to do so) could more appropriately be viewed as 'democracy' at its best, and should be encouraged and supported by the Commission.

    - An essential fact is highlighted by the success that two small shareholders, in particular, have in filing and winning sizable numbers of proposals. Their accomplishment underscores that the historical purpose of creating and perpetuating the rights and rules around shareholder engagement was to allow communication between shareholders.

        - Companies and their determined deputies mistake this and inappropriately complain that certain active shareholders do not talk with management – but that was never the purpose of the Rule. While management benefits from talking with its shareholders, shareholders retain every right to use the proxy process to communicate solely between themselves.

6. **History.** Rule 14a-8 and the arena of shareholder rights originally arose under the rubric of shareholder protections. There was a reason these rights were created under law – to prevent the abuses that, decades ago, issuers visited upon stockholders.

    - However, in the intervening decades human nature has not changed and corporate overreach has not changed; in fact, nothing has changed to make redundant the necessary investor protections that these rights were purposefully created to ensure.

        - Large numbers of respected observers have commented that today there may be more need for these protections and guidelines than in decades past. Investor Voice concurs with this assessment.

In closing

We appreciate the opportunity to comment, and stand ready to provide further input or to answer questions that may arise.

In the final analysis, we respectfully ask that the SEC firmly reject the self-interested posturing of the U.S. Chamber of Commerce, the Business Round Table, the National Association of Manufacturers, and the so-called Main Street Investors Coalition.

We urge the Commission to consider the points outlined above; to remember that the historic reason for and original purpose of the 14a-8 and related rules was to protect small investors; to recognize that the need for this purpose remains today; and to reflect upon the significant benefits that shareholder engagement of all stripes contributes to enlivening companies and to improving our capitalist system.

Then, with reverence for how well prior Commissions have shepherded this process down the years, please reaffirm the existing Rules so they might continue to serve the same beautifully elevated and necessary purpose for which they were originally crafted.

In this light, the Rule's perpetuation constitutes a sacred trust that requires both care and attention in order to properly flourish; we have every confidence today's Commission will live up to this duty.

Sincerely,

Bruce Herbert

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Chief Executive and ACCREDITED INVESTMENT FIDUCIARY