



December 3, 2018

Hon. Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: File 4- 725 -- Staff Roundtable on the Proxy Process

Dear Chairman Clayton,

On behalf of the Congregation of St. Basil, a member of the Interfaith Center on Corporate Responsibility (ICCR) which has been actively engaged with corporate dialogue and the proxy process, I write in advance of the Staff Roundtable on the Proxy Process, to submit comment regarding SEC rules for engagement, specifically Ownership Thresholds and Resubmission Thresholds.

It is our position that there is no need to change either of these Thresholds.

The current ownership threshold deserves to remain as it is: ownership of at least \$2,000 worth of a company's shares allows a diversity of investor voices, and the requirement of ownership for at least one year prior to filing a proposal ensures that investors cannot simply buy shares before the filing deadline and sponsor a resolution. Raising the ownership threshold threatens to exclude smaller investors. Shareholders big and small can make and have made valuable contributions to the companies that they own.

Current thresholds for resubmission also should stand. They provide a framework that has served the process well. Minimum votes of 3%, 6% and 10% in the first, second and third years, respectively, of filing a proposal have provided a reasonable amount of time for emerging issues to receive increasing support among investors, while ensuring that only those proposals that garner meaningful support move forward and can appear in subsequent years.

The argument for raising thresholds has been championed as a means of addressing so-called abuses in the system, including claims that shareholder resolutions are a burden on the markets. However, the evidence tells a different story. In fact, there are relatively few resolutions that are filed and come to a vote each year. Approximately 200 social and environmental resolutions came to a vote this year, hardly a burden on the markets and companies. The vast majority of companies never even see a shareholder resolution. It is also worth noting that often resolutions are withdrawn by their proponent after prompting a productive dialogue and improved understanding between shareholders and management, leading to significant policy changes that can transform businesses.

Increasing thresholds could prevent important issues from being considered. There are many examples throughout the history of shareholder engagement of issues that initially received little support, but went on to be appreciated for the serious risks presented to companies that they produced. The issue of declassified boards is just one example – in 1987 proposals on this issue received under 10% support; in 2012 - 81%, and it is now considered best practice.

The long-term investors utilizing the proxy process are deeply concerned about the returns on and growth of the investments in their portfolios. They press companies on environmental, social, and governance risks precisely because they are concerned with the long-term health of the companies in which they are invested. The shareholder process enables companies to identify and address reputational and legal risks in advance, before they become liabilities for the company.

In conclusion, we support of the shareholder proposal process as it is currently practiced under Rule 14a-8. Altering it risks the exclusion of voices that can be vital to this critical accountability tool. The filing of resolutions is a fundamental tenet of shareholder democracy that should be protected, and one that is critical to long-term shareholder value.

Thank you for this opportunity to provide input.

Sincerely,

A handwritten signature in blue ink that reads "Margaret Weber". The signature is written in a cursive style with a large initial 'M'.

Margaret Weber
Corporate Responsibility Director
Congregation of St. Basil

