

Via Email

October 17, 2019

The Honorable Jay Clayton
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: File No. 4-725 Proxy Advisor Regulation

Dear Mr. Chairman:

The purpose of this letter is to express our strong support for the views contained in the letter of October 15, 2019 from the Council of Institutional Investors and a coalition of US institutional investors (Coalition).

My organization, the Shareholder Association for Research and Education (SHARE), represents a more than 100 Canadian institutional investors, many with extensive US holdings.

We share the Coalition's concerns about potential actions by the Securities and Exchange Commission (Commission or SEC) to propose rule amendments to address proxy advisors' reliance on the proxy solicitation exemptions in Rule 14a-2(b), which is listed in the current Commission Regulatory Flex Agenda ("Proxy Advisor Rulemaking").

More specifically, we are concerned that the Proxy Advisor Rulemaking will contemplate a requirement that proxy advisors share advance copies of their recommendations with issuers.

Proxy advisors are agents of institutional investors, not of issuers. We do not believe a mandatory process for prior review by issuers of the work product of their agents, the proxy advisors, would be desirable or helpful to the proxy voting process.

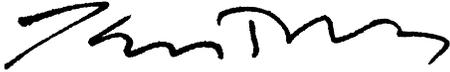
Institutional investors need, and should be able to rely on, advice from independent parties that are responsible to them only as clients. To introduce prior review of that advice by the issuers whose very policies and practices are being assessed would intrude upon that client relationship and could call into question the independence of the information produced. It would potentially create significant financial burdens for investors by adding to the time and bureaucracy involved in reviewing every recommendation with issuers and resolving any differences of opinion – however unsubstantiated – without any shred of evidence that this added burden will improve upon the process or address any real problem in capital markets.

Further, any Commission regulation intruding on the independence of proxy advisors and their agency relationship to institutional investors would be a wrenching change in the Commission's regulatory policy, without any foundation in the SEC's historic role of investor

protection, and would severely jeopardize the interests of investors, individual and institutional, in a fair and fully-functioning proxy voting system.

If you have any questions regarding this letter, please do not hesitate to contact me at 416-306-6453 or kthomas@share.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Thomas', with a stylized, cursive script.

Kevin Thomas
Chief Executive Officer
Shareholder Association for Research & Education (SHARE)

CC: The Honorable Robert J. Jackson, Jr., Commissioner
The Honorable Allison Herren Lee, Commissioner
The Honorable Hester M. Peirce, Commissioner
The Honorable Elad L. Roisman, Commissioner
Dalia Osman Blass, Director, Division of Investment Management
William H. Hinman, Director, Division of Corporation Finance
Rick Fleming, Investor Advocate