

# Corporate Governance

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Ms. Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549  
Via: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

September 20, 2020

Re: Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20 AND Request to amendment of Title 17, §270.30b1-4, Report of proxy voting record, File 4-748

Dear Ms. Countryman:

As a long-time retail investor and advocate of more democratic corporate governance, I join with many others in opposing the Commission's proposed amendments to Form 13F reporting rules for institutional investment managers. Rather than allow 89 percent of current 13F filers to go dark, I urge the Commission to require at least monthly disclosure, including short positions.<sup>1</sup>

I echo objections to the subject rulemaking expressed by the Council of Institutional Investors in their letter of September 17, 2020.<sup>2</sup>

Our concerns about that amendment are threefold: (1) we believe the amendment could reduce, rather than increase, the transparency of market information that may be useful to long-term investors; (2) we believe the Commission presently may not have the legal authority to raise the rule 13f-1 threshold; 4 and (3) we believe the rule 13f-1 threshold may negatively impact investor confidence in the integrity of the U.S. markets.

However, as a retail fund investor, I not only want to know what company stocks my fund investment dollars are buying, I also want to know how my funds are voting their proxies. To paraphrase another investor's comment, On what planet is less disclosure good for the average investor? Or, as another investor wrote,

You are supposed to be protecting investors, not making it easier for billion-dollar hedge funds to manipulate markets. This proposal is a terrible idea and runs directly counter to the principles upon which the SEC was founded.

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<sup>1</sup> Congress has expressed a clear intent for 13F filers to provide more disclosure. Section 929X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 called for monthly disclosure of short positions, while Section 951 mandated annual disclosure of Say on Pay votes.

<sup>2</sup>[https://www.cii.org/files/issues\\_and\\_advocacy/correspondence/2020/September%2017%202020%20letter%20to%20SEC%20draft%20\(final\)-AB.pdf](https://www.cii.org/files/issues_and_advocacy/correspondence/2020/September%2017%202020%20letter%20to%20SEC%20draft%20(final)-AB.pdf)

The SEC should act to implement my Request to amendment of Title 17, §270.30b1-4, Report of proxy voting record,<sup>3</sup> File 4-748.<sup>4</sup> Currently, this data is released only once a year in code that cannot be read and compared by most retail investors.

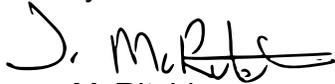
When experts with costly databases have examined that data, the results have been troubling.<sup>5</sup> In the Internet age, proxy voting information should be disclosed in real-time and in a format that makes comparing the records of multiple funds easy for the average investor.

As Justice Kennedy wrote the *Citizens United* decision:

With the advent of the Internet... Shareholders can determine whether their corporation's political speech advances the corporation's interest in making profits, and citizens can see whether elected officials are 'in the pocket' of so-called moneyed interests.

Without disclosure, there is no accountability. Please drop or substantially revise the Commission's proposed 13F reporting amendments and act on my petition to require real-time disclosure of proxy votes in a user-friendly sortable format.

Sincerely,



James McRitchie  
Shareholder Advocate

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<sup>3</sup> <https://www.sec.gov/rules/petitions.shtml>

<sup>4</sup> <https://www.sec.gov/rules/petitions/2019/petn4-748.pdf>

<sup>5</sup> For example, see Morningstar Direct Uncovers ESG Hypocrites  
<https://www.corpgov.net/2019/03/morningstar-direct-uncovers-esg-hypocrites/>