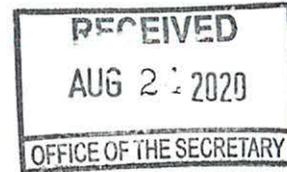




Acme United Corporation



August 3, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20

I am writing to express opposition on behalf of Acme United Corporation to the Commission's proposed amendments to the Form 13F reporting rules for institutional investment managers. Acme United is traded on the NYSE American Exchange, symbol ACU. We are one of the largest suppliers of scissors, first aid kits, and safety items in the U.S. with sales of approximately \$150 million. Our market capitalization is about \$75 million. Most of our shareholders are retail investors and small institutions. Although we aspire for our stock to be owned by larger institutions, we do not at present have the market capitalization, liquidity, or independent research to attract them.

We believe that the SEC's proposal, which would allow 89 percent of current 13F filers to go dark, would significantly impair engagement with our retail and institutional investors about our business strategy and corporate governance, reduce our ability to attract new investors, deprive us of timely information about activist funds that take significant positions in our stock, and exacerbate short-term pressures on our company at the expense of long-term shareholder value.

As a small listed company, the current 13F filings of small institutions, family offices, and retail investors generate visibility of our shareholders. The proposed rule change would erase such visibility because most of our shareholders do not meet the proposed asset management threshold. Our largest institutional investor is The Capital Management Corporation, based in Richmond, VA, which holds 12.15% of our company but would not be required to report. Similarly, our second largest institutional investor is North Star Investment Management based in Chicago, IL owning 12.04% of our outstanding shares; it too would be exempt from reporting. The third and fourth largest shareholders would report under the proposed change: Renaissance Technologies holds 5.48% of the company and Dimensional Fund Advisers owns 4.92% but neither communicates with the company. The fifth largest shareholder is Bard Associates in Chicago, IL which holds of 3.93%. Bard Associates would not meet the proposed threshold for 13F filings. The proposed rule change would harm our shareholders and our company by creating a lack of the ability to know our key shareholders and to communicate with them.

While 13F data is not as timely it could be, it is only data that U.S. companies have that shows which “street name” investors are buying or selling their shares each quarter. This data cannot be replaced by hiring stock surveillance firms, which themselves rely on quarterly 13F data as a starting point for their research efforts.

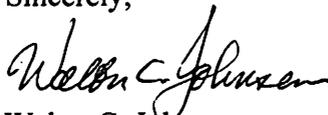
The loss of this essential 13F data would impede our company’s ability to attract new investors. Like many issuers, we use 13F filings to identify potential shareholders (such as those who have invested in similar companies) and to measure the effectiveness of our outreach efforts to prospective investors. These practices are essential for a company to effectively access the capital markets and to grow its business. The loss of transparency around who is buying our shares each quarter would hinder the ability of our company to continue to raise growth capital. As required by the agency’s mission, the SEC should fully consider the negative impact on capital formation before proceeding with this rulemaking.

The loss of 13F data would also expose our company to a greater risk of ambush activism by short-term-oriented fund managers, who may demand that we slash jobs, reduce research spending, increase share buybacks, or take other measures that may not be in the interest of our long-term investors. Proxy contests can be a costly distraction, so many public companies (especially small and mid-cap issuers) often conclude that they have no choice but to settle with short-term activists.

Without the 13F data we receive now, our company will not know if a pack of activist fund managers (who fall under the \$3.5 billion threshold) are plotting a proxy contest until 10 days after one of those funds crosses the 13D disclosure threshold and publicly surfaces with a 5 percent (or often more) position.

For the foregoing reasons, the Commission should withdraw the proposed 13F amendments.

Sincerely,



Walter C. Johnsen
Chairman and CEO

