



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

July 28, 2022

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Via email: rule-comments@sec.gov

Re: Proposed Rule on Rule 10b5-1 and Insider Trading, File Number S7-20-21

Dear Ms. Countryman:

I write to supplement my [March 23, 2022 comment letter](#), which sets forth my strong support for and a recommendation concerning the Securities and Exchange Commission's Proposed Amendments Regarding Rule 10b5-1 Insider Trading Plans and Related Disclosures (the "Proposed Amendments"), and to notify the Commission about the high degree of shareholder support for two recent shareholder proposals that largely tracked the Proposed Amendments and/or included the recommended enhancements detailed in my earlier letter.

As I stated in the comment letter, the Commission should strengthen the Proposed Amendments by implementing the Commission's Investor Advisory Committee ("IAC") 2021 recommendation and require a Form 8-K disclosure. Such disclosure would include the name of the individual, the number of shares covered, and the date of adoption, modification, or cancellation of a 10b5-1 plan, whenever a Section 16 corporate officer or director adopts, modifies, or cancels such a plan ("Form 8-K Disclosure").

Last Friday, McKesson Corporation shareholders cast 49.5% of their votes in favor of a first-time shareholder proposal, submitted by four of the New York City Retirement Systems, urging the company's Board of Directors to adopt a policy covering Rule 10b5-1 plans. I submitted the proposal on behalf of these four systems in February 2022, shortly after the SEC issued its Proposed Amendments. Last week's vote demonstrates that there is strong investor support for the recommended Form 8K disclosure.

This broad support from McKesson shareholders follows another expression of investor support in May at Abbott Laboratories, when a 10b5-1 shareholder proposal introduced by the NYC Comptroller on behalf of the four pension systems received 49 percent of the vote from shareholders. That proposal — submitted before the Proposed Amendments were issued —

asked the company to adopt a policy requiring safeguards addressing the potential for abuse of 10b5-1 Plans, including a cooling off period and a prohibition on overlapping plans, as well as certain disclosures, including Form 8-K Disclosure. The vote at Abbott demonstrated strong investor support for the 10b-5 safeguards contained in the Proposed Amendments *and* for additional Form 8-K Disclosure.

We believe that 10b5-1 plan cancellation, as well as the adoption or modification of such plans, are material to investors and timely disclosure of corporate insider transactions should be required. As the academic analysis and examples provided in our March 23, 2022 letter show, this information is valuable, decision-useful information that should be provided to investors on a timely basis. Disclosure in the next quarterly report is simply too late.

I hope that this supplemental information proves useful to you as you consider the Proposed Amendments. Please contact Michael Garland, Assistant Comptroller for Corporate Governance and Responsible Investment (██) if you would like to discuss these matters further.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander", with a stylized flourish at the end.

Brad Lander
New York City Comptroller