



**Chris Chiari**  
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December 21, 2019

Ms. Vanessa Countryman, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

For File Number S7-22-19

Dear Secretary Countryman:

I have worn many hats in Colorado, be it filmmaker, political activist, political candidate, cannabis dispensary owner, and most recently, the owner of the Patterson Inn in Denver, Colorado. Having received historic designation from the Landmark Preservation Commission, Colorado State Register of Historic Properties, and the National Register of Historic Places, the inn (located in the heart of one of Denver's original high-end neighborhoods) provides guests an unforgettably luxurious and unique experience. The integral component to that experience would be the incredible employees that staff the inn.

It is out of grave concern for my employees, along with the 600,000 others who provide valuable services to all of Colorado, who will be affected by PERA's inability to provide retirement and other promised benefits due to wild mismanagement, that I write today.

PERA's returns fluctuate wildly year to year and underperform against traditional funds, period. This should be considered a clear call for the U.S. Securities and Exchange Commission to issue new rules addressing investments advisors who engage with proxy advisor firms.

All employees in the United States should have the reassurance that their retirement funds are safe and stable. Unfortunately proxy advisory firms lack clear oversight by any regulatory body. Nor are they held to a fiduciary standard, which would require them to demonstrate that their recommendations are in the best interest of shareholders or the corporation.

Furthermore, proxy advisory firms do not have financial incentive to issue accurate or correct recommendations because they do not have an economic interest in the outcome of votes. Chillingly, some proxy advisory firms, such as Institutional Shareholder Services (ISS), receive consulting fees from the same companies whose governance practices they evaluate. The terms of these arrangements are not disclosed, including whether paid clients are given special access to information about the models underlying the firm's recommendations.

As a proud Democrat and cannabis reform supporter, I believe in progressive policies in the legislature. I strongly believe, however, that legislatures ought to keep its hands out of our

pension and investment funds. In only a few years, those who oppose marijuana, for example, might push to limit investments in that sector (despite the astronomical growth of that industry).

Social policy in investment funds is a sword of Damocles, allowing pensions to be directed at the whim of ever changing, ever evolving cultural mores, opposed to the best financial growth strategy. The retirement funds of Americans is not an appropriate vehicle for social change. That is what Legislatures, City Councils and Boards of Commissioners have been institutionalized to create. The SEC should follow through on its proposed rules to provide clear oversight over proxy advisory firms.

Respectfully,

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Chris Chieri