



Mount St. Scholastica
BENEDICTINE SISTERS

January 24, 2020

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

Regarding: File #: S7-22-19

Dear Chairman. Clayton:

We strongly oppose the new proposed rules because they severely limit who is allowed to file resolutions. They are prejudicial and unnecessary and we urge the SEC to withdraw them. The SEC exists to protect investors and these new rules would only restrict small investors like ourselves and those who represent them; the very groups that in a major way help keep corporations honest.

Helping my religious community with its small, long term, investment resolutions has been a joy for me. We are about 100 mature Benedictine nuns, highly educated, most experienced teachers. In the three years I have been doing this work I have seen corporations take steps in the right direction for their reputation, even as the public grows more skeptical. The opportunity to file resolutions has been very informative and a democratic exercise in citizenship as we urge large corporations to do the right thing for all of humanity. Our values are Gospel based and come down to things like just wages, racial diversity and environmental sustainability. Stockholder participation helps powerful corporations make better decisions.

Changing to the new rules will undermine the very corporate engagement process that has been of great value to both companies and investors. It will leave companies without accountability to their own shareholders and will eliminate, for most of the shareholders, a process that has worked well for many decades. The new rules would limit the ability of small investors like ourselves to influence corporate behavior, thus making the world of finance less transparent, less accessible and less democratic.

At a time like now when democracy in this country is becoming ever more fragile, the current rules provide an important venue for democratic participation to urge our huge and powerful corporations to be more transparent and just.

Trade associations like the U.S. Chamber of Commerce, and the National Association of Manufacturers have lobbied seriously for the proposed changes. They exaggerate the cost of the process to companies. They also seem to think shareholders are more interested in pushing a 'social agenda' than in shareholder value. In truth the companies that we engage with often understand that their engagement with smaller shareholders enables them to lessen reputational, legal, and financial risks, and to build value. They have resulted in significant corporate advancements in such areas as gender parity, racial diversity, transparency, labor practices, environmental policies, and climate change.

Thank you for seriously considering this request to withdraw the new proposed rules.

Sincerely,

Sister Barbara McCracken, OSB
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