

January 15, 20120

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File Number S7-22-19

Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Dear Commissioners:

I am very troubled about the state of the Ohio Public Employees Retirement System (OPERS) and the nationwide pension crisis in general. I am writing today specifically to offer my criticisms of the proxy advisory process, which I understand the Commission is reviewing. I appreciate and am supportive of the new rules the SEC has proposed. I encourage you to pursue any means you find necessary to curb the power of the shadowy firms operating behind the scenes to fleece employees' pensions for political purposes.

I am an English and OWA teacher and basketball coach in Fremont, Ohio. I have been a member of the Ohio Education Association—the teachers union—for 25 years. Every time another round of collective bargaining comes along, the OEA always stresses that they negotiate deals that balance salary, benefits and working conditions. Members understand that, we may not get the raises we want, but protecting our pensions is a main concern to ensure our long-term financial security. Most teachers want, and expect, OEA and OPERS to have our backs when we retire, but recent headlines cast doubt upon that prospect.

In September, OPERS asked lawmakers to allow the pension fund to freeze the cost of living adjustment in 2022 and 2023 for all retirees and delay the COLA for two years for all new retirees. The request was intended to wipe out \$3.44 billion of \$24 billion in unfunded liabilities facing OPERS.

I find that outrageous. We pay into the system every two weeks; how could it be so poorly managed? As I am sure you know by now, one significant factor is proxy advisory firms. These firms return 43 percent less than the S&P 500; ameliorating that difference would shrink much of the funding gap. The proxy firms implement environment, social, and governance standards on investments—often using automatic voting and specialty reports rather than actually doing their own due diligence.

I am sympathetic to some of their concerns, but my pension is the wrong place to practice advocacy. As long as investments are in legal, publicly accountable companies, they should be based on returns, not how closely they align with arbitrary political goals of a proxy firm. This is worsened by the fact there are only two firms that occupy the majority of the market and that neither believes in transparency or disclosing conflicts of interest.

I have some small mutual funds and a 529 fund for my three school-age children. If I made similar decisions, they would have no future. But OPERS is fine gambling ours away. These proxy firms have an incredible amount of audacity because they have not had to answer to anyone.

I am very pleased that the SEC has proposed a new rule on proxy advisors, and I hope you take bold steps, like your guidance earlier this fall subjecting them to anti-fraud measures. Thank you for your time and for allowing the public to voice their opinions.

Sincerely,

John C. Hill

SECURITIES & EXCHANGE  
COMMISSION

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OFFICE OF INVESTOR  
EDUCATION AND ADVOCACY

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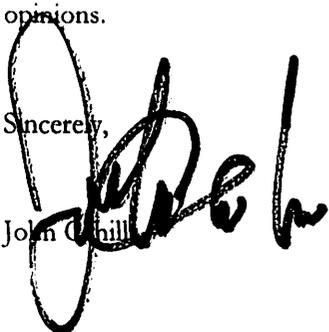
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A handwritten signature in black ink, appearing to read "John C. Hill", written over the printed name.

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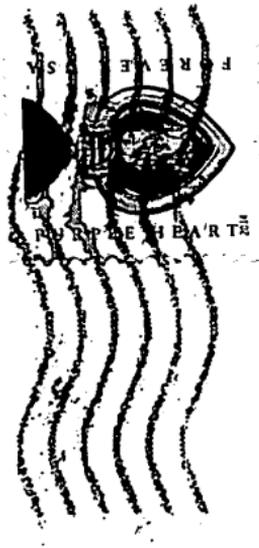
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