30 January 2020

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

Re: File No. S7-22-19; Release No. 34-87457

Dear Chairman Clayton

The *Financial Times* noted last month that "Glass Lewis and Institutional Shareholder Services have a stranglehold on a booming industry: advising investors on how to cast their votes at companies' annual meetings. This has given the two privately owned companies considerable sway on everything from executive pay to environmental policies, just as issues of governance race up the corporate agenda." In this light, I am writing to offer my strong support for the Securities and Exchange Commission's amendments to exemptions from the proxy rules for proxy voting advice. These amendments will make these companies more accountable.

Given this stranglehold, coupled with the need for greater accountability, I applaud the Commission for taking up the issue of specialty policies. These specialty reports are tailored to specific investors, rather than the broader investor base. As such, full disclosure of these reports would be advantageous to all investors, such as retirees participating in a pension plan, individual investors, and those currently investing in a 401(k) or IRA.

In addition, question 36 found on pg. 64 of the ruling asks, "Should we require the entirety of the proxy voting advice, including separate specialty reports, to be provided to the reviewing party or only excerpts or certain reports?" I believe that yes, this requirement is necessary to provide needed transparency for investors. Furthermore, unlike the issuance of benchmark reports, companies do not have the chance to review the findings or recommendations within specialty reports. This is clearly problematic and contributes to the opaque nature of proxy advisor recommendations.

I also agree with Timothy Doyle of the American Council for Capital Formation when he states that these specialty reports are "rife with misinterpretations and speculative, unqualified statements". Institutional Shareholder Services (ISS) explains that their specialty reports include "special policies for socially responsible investors, faith-based investors, Taft-Hartley funds and their external asset managers, and public employee pension funds." Yet, as Mr Doyle observes, "ISS is effectively providing 'pick and choose' governance for its customers. Investors can simply select a recommendation that meets their preferred result and still cast their votes in-line with an 'independent, third-party report.' Rather than providing genuinely independent analysis, ISS has created guidance for hire."

Thank you for this opportunity to offer my comments on this ruling. It is hoped that the Commission finalizes it with the inclusion of robust disclosure requirements for specialty reports.

Sincerely,

James Stuart
Managing Director
Cameron Stuart Associates