Vanessa Countryman

Securities and Exchange Commission

100 F Street, NE

Washington, D.C. 20549

Re: Comment for File Number S7-22-19

Secretary Countryman:

I am pleased to see the SEC considering new rule changes that would help hold proxy advisory firms more accountable to and responsible for making sound investment recommendations that maximize returns on investments. As the founder and CEO of an IT, Manufacturing, and Information Security services firm, I want to make sure my multiple investments are being managed in a fiscally responsible way—and currently, the way these proxy advisors operate is anything but that.

As you likely already know, many of these proxy advisors base their recommendations to investment and pension fund managers on their own political or ideological stances on certain issues. While this is a free country and everyone should be able to support or oppose whatever cause they wish, doing so with other people's investments should be strictly prohibited. The sole responsibility of proxy advisors should be a fiduciary one: to increase investments as much as possible.

Instead, the proxy system is being abused by these activist firms that are not even required to disclose any potential conflicts of interest that could keep them from providing the most financially sound recommendations for our nation's investment and pension funds and shareholders. Further, when only two companies run 97 percent of the proxy advisory market, there is little recourse for investors and shareholders as these firms are simply able to act as they wish with no repercussions.

This has a very serious, negative impact on my—and tens of millions of other Americans'—investments. It has been proven that investing based on these ideological and political factors produces a far less return on investment than standard S&P 500 index funds—and not just a little lower, but nearly 44 percent lower. Unless there are some reforms made to prioritize securing healthier returns, data shows that retirement accounts will be 10 percent lower.

Not only are they mismanaging investments and putting their own beliefs over their clients' best interests, but proxy advisors employ a number of worrisome business practices to do so—including taking advantage of low shareholder proposal thresholds to continuously push through unpopular resolutions; using "robo-voting," or automatic voting, to keep investment fund aligned with their misguided recommendations; and issuing phony "special reports" that are designed to project an image of third-party credibility when in reality all they do is attempt to validate certain decisions or voting patterns.

This situation is untenable. Proxy advisors need to be reined in and the SEC has the power to do so. Please continue investigating this issue further and work to pass sensible reforms that will help hold these firms accountable for what should be their fiduciary responsibility to investors, pensioners, and shareholders alike.

Sincerely,

Sam Malhotra