

February 3, 2020

Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission (SEC)  
100 F Street, NE  
Washington, DC 20549-1090

Via email to: [Rule-comments@sec.gov](mailto:Rule-comments@sec.gov)

Re: Proposed Rule on Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8, File Number S7-23-19; and Proposed Rule on Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice, File S7-22-19

Dear Ms. Countryman:

Our organization, PNM Shareholders for a Responsible Future, has in recent years submitted a number of shareholder resolutions to our local regulated utility, PNM Resources. Our effort has been to draw the attention of the company to important shareholder concerns that might otherwise not be heard. The process as currently constituted has been, for us, time consuming and exacting, but it has been useful and effective—and not unduly burdensome on either the company or ourselves. Which is to say, the current rules have worked reasonably well for all parties.

The contemplated changes, however, will significantly diminish shareholder's rights and dramatically curtail shareholder's ability to engage effectively with companies. And in at least one case, having to do with proxy voting advice, a proposed change in the rules would result in a situation that is unfair, counterproductive, and illogical.

Specifically:

**Proposed Eligibility Requirements:**

The existing standard is simple and sufficient. Raising the first year and second year requirements only serves to penalize small investors and limit participation, and ignores the pattern of fluid stock ownership in a modern world. The main purpose of this change can only be to make investor participation even more complicated and burdensome than it already is.

**Proposed Resolution Resubmission Thresholds**

The proposed thresholds ignore completely the normal pattern of shareholder resolutions, which typically grow slowly in strength over time. Large vessels take time to change course; so large companies. Unfairly aggressive resubmission thresholds would eliminate many worthy proposals which with time would generate enough interest to be successful.

**Restriction on Introducing More Than One Resolution at Company Annual Meetings**

Again, the purpose of this proposed change can only be to make the submission of shareholder proposal more difficult than it already is; the proposed change also, again, willfully ignores the nature of the modern world. Many, if not most, individual investors rely on investment managers to represent their interests, and these managers have dealings with numerous companies. To be able, on occasion, to deputize another person to present a proposal at a shareholder meeting, in addition to his or her own proposal, is simply a matter of convenience that prejudices the

company not one wit. To speak from our own experience, PNM Resources has twice tried to limit our participation by holding their annual meeting in highly inconvenient locations. While we did not in those situations avail ourselves of the opportunity to have someone present for us, we could easily imagine doing so in the future, if the necessity and opportunity to do so presented.

**Proxy Voting Advice**

Requiring proxy advisors to solicit a company's review and feedback on their proxy research and recommendations before it is provided to clients is, as we said above, unfair, counterproductive, and illogical. Proxy Advisors, such as ISS and Glass-Lewis, must be seen as at least relatively independent to be of any use at all, and any perception that the affected companies have been able to "manage" an advisor's report affects an advisor's credibility. Worse still, this requirement would, in fact, give companies another "bite at the apple," a further and unfair opportunity to control how an issue is presented to investors.

In sum, while we might have our own complaints about the current proxy resolution process, we feel that in general it is workable and relatively fair. The proposed rules, however, make shareholder participation significantly more difficult, and in some cases are actively prejudicial to an open and fair process. We therefore strongly encourage the SEC to NOT implement the proposed rule changes referenced above.

Sincerely,

Edith Homans

Robert Davis

Patricia Green

Ann Lacy

for PNM Shareholders for a Responsible Future