



James L. Martin
Founder/Chairman

Saul Anuzis
President

Pat Boone
National Spokesman

February 3, 2020

Securities and Exchange Commission

Venessa A. Countryman, Secretary

Subject: Comments pursuant proposed rule, *Amendments to Exemptions From Proxy Rules for Proxy Voting Advice*

File Number S7-22-19

On behalf of millions of senior citizens who consider themselves “main street” investors, The 60 Plus Association submits these comments in support of the Commission’s initiative and proposed changes to a proxy system for corporate shareholder proposals. Vital interests of senior citizens, who constitute a significant proportion of shareholders are at stake.

Our comments focus on two aspects of the rulemaking we believe need further consideration in order to more fully address the questions the proposed rule requests comments upon. The **first** is the need to further consider the importance of the changing demographics of the investor community, specifically the growing and changing role of senior citizens who are mainstream investors impacted by the proxy rules for proxy voting advice. The **second** is the applicability of the procedural requirements and public protections provided by the Paperwork Reduction Act. (44USC35)

The need to consider senior citizens as a key aspect to its mission to protect mainstream investors in capital markets

In the introduction to the proposed rulemaking the Commission opens with the observation: Annual and special meetings of publicly traded corporations are a key component of corporate governance. It notes further that: (1) most shareholders do not attend these meetings; and proxies are the means by which most shareholders of publicly traded companies exercise their right to vote on corporate matters; (2) a defining characteristic of today’s market is the significant role played by institutional investors which by some estimates own between 70 and 80 percent of the market value of U.S. public companies; and (3) proxy voting advice businesses provide services and influence that relate to the substance of shareholder voting. Institutional investors can and do often vote their constituent shareholders in bloc. As noted, each year proxy voting advice businesses provide voting advice to thousands of clients that exercise voting authority over a sizable number of shares that are voted.

To conclude the introduction to the rulemaking the Commission states what appears to be an unnecessarily limiting caveat to the rulemaking proposal. “In undertaking this rulemaking effort, we acknowledge the existence of a wider public debate about the role and impact of proxy voting advice businesses in the voting system.

The focus of our rule proposal, however, is not on all aspects of proxy voting advice businesses’ role in the proxy process. Rather, it is on measures that, if adopted, would address certain specific concerns about proxy voting advice businesses and help to ensure that the recipients of their voting advice make voting determinations on the basis of materially complete and accurate information...”

The footnote supporting this apparent caveat cites a letter from Jim Martin, Chairman of the 60 Plus Association (Oc.5, 2018). Of the tens of letters cited, we believe the 60 Plus letter from its Chairman and President Saul Anuzis, is singular in that it highlights the growing importance of senior citizens as a group of mainstream investors whose retirement investments made with institutional investors and otherwise are a “material” aspect, of many shareholder proposals if “materially complete and accurate information” is to be a basis of recommendations.

We believe among the tens of letters noted by the Commission in footnote 24 of the introduction ours is the only one that stresses this vital aspect of proxy advisory businesses’ advice. We agree that shareholder engagement is critical to our public capital markets. The proxy process is a fundamental component of that engagement. A better understanding and more data is needed of the impact of proxy advisory information for investors who are seniors.

1. For example, the value of information disclosed is perceived and evaluated differently by generational differences. Disclosure mandates related to the proxy process should be mindful of the distinctions. Proxy advice should include how actuarial data of the shareholders involved in a shareholder proposal relate to the proposals relation to value creation. Better data on the demographic character of shareholders would be useful. Institutional investors in particular are likely to collect and use data on the demographics of their shareholders. The five firms that dominate the proxy advisory business, as well as others should affirmatively consider the age characteristics and their changing character in providing advice and recommendations.

The Commission should consider a mandate for some form of senior citizen impact assessment in providing proxy recommendations.

2. Shareholder proposals engaging corporate governance issues associated with Socially Responsible Investing are exploding. The impact on shareholders who are older and have a different perspective on the time needed for maximizing the value such proposals could potentially create is different than that of younger shareholders. Consider proposals that address climate change risks. In an environment of rapid technological innovation and divided ideological views, issues of materiality and fiduciary responsibility demand more

disclosure of conflict of interest on the part of advisory firms and greater understanding of the age characteristics of stockholders impacted by proposals.

3. In our review of the questions asked in the proposed rule we believe too little awareness of the data and discussion of the growing role senior citizens as mainstream investors play in our capital markets is considered. How many mainstream investors are senior citizens? What proportion of shareholders are they? How many receive social security benefits? Aren't these material data points, particularly if broken down and used as per company data?
4. We reviewed some 58 numbered questions, and several more in its section III Economic Analysis and section IV Paperwork Reduction, posed by Commission. We envision a daunting amount of review and analysis before a final rule is promulgated. We believe more information, data, and analysis of demographic data underpinning the significance of senior citizens who make up a significant proportion of the mainstream investor community would be of great benefit.

As an example, in its Economic Analysis, consider whether data on the number of senior citizens involved in its Table I on Type of clients and number of clients would be useful.

Applicability of the Paperwork Reduction Act (PRA)

In Section IV. Paperwork Reduction, the Commission's proposal acknowledges that "collections of information" contained in the rulemaking are within the meaning of the Paperwork Reduction Act of 1995. (44USC3501 *et seq.*) Accordingly, the proposed amendments were submitted to OMB for review of a request for changes to the collection of information previously assigned the OMB Control number 3235-0059.

The Commission provides its estimate for the incremental and Aggregate Burden and Cost for the proposed amendments in Section IV. It submitted its justification required by the Act for review for the collections of information involved to the Office of Information and Regulatory Affairs (OIRA). (The submitted justification is not yet part of the rulemaking record) It requests comments as required by the Act and affirmed by the implementing rule CFR Part 1320 in order to:

1. Evaluate whether the proposed collections of information are necessary for the proper performance of the functions of the Commission, including whether the information would have practical utility;
2. Evaluate the accuracy and assumptions and estimates of the burden of the proposed collection of information;

3. Determine whether there are ways to enhance the quality, utility, and clarity of the information be collected;
4. Evaluate whether there are ways to minimize the burden of the collection of information on those who respond, including through the use of automated collection techniques or other forms of information technology; and
5. Evaluate whether the proposed amendments would have any effects on any other collections of information not previously identified in this section.

We at 60 Plus believe we and others in the public will be unable to adequately comment and the Commission will be unable to adequately evaluate in accord with the PRA's requirements unless the Commission declares more clearly which parts of the rulemaking constitute a collection of information and which do not.

The 1995 PRA establishes procedures for collection of information which are specifically contained in notice and comment rulemaking and for collection of information which are not specifically contained in a rulemaking.

The purpose of the 95 PRA was to statutorily establish the procedures wherein notice and comment rulemaking could occur concurrently with an agency's responsibilities under the PRA.

We believe the whole of the proposed rulemaking should be considered a collection of information.

The importance of this needed determination and clarification is raised as a result of the PRA's key enforcement mechanism in its statutory scheme contained in Section 3512 Public Protection. That section reads:

- A. *Notwithstanding any other provision of law, no person shall subject to any penalty for failing to comply with a collection of information that is subject to this chapter if-i. the collection of information does not display a valid control number assigned by the Director in accordance with this chapter, or ii. the agency fails to inform the person who is to respond to the collection of information that such person is not required to respond the collection of information uness it displays a valid control number.*
- B. *The protection provided by this section may be raised in the form of a complete defense, bar or otherwise at any time during the agency administrative process or judicial action applicable thereto.*

Determining what collection of information is subject to the scope of the Pubic Protection section of the PRA will be instrumental to finalizing a final rule.

Given that collections of information are valid for only three years and must be reviewed again, determining the scope is instrumental to contemplating how the Commission will achieve its stated mission to periodically review proxy disclosure rules.

Thank you for the opportunity to comment.

Jim Martin, Chairman Saul Anuzis, President Bob Coakley, Secretary Board of Directors

The 60 Plus Association is a 27-year-old nonpartisan organization working for death tax repeal, saving Social Security and Medicare, affordable prescription drugs, lowering energy costs and other issues featuring a less government, less taxes approach as well as a strict adherence to the Constitution. 60 Plus calls on support from over 5 million activists. 60 Plus has been called, "an increasingly influential senior citizen's group," and recognized as the alternative to the AARP.