



January 13, 2020

Vanessa A. Countryman, Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Dear Secretary Countryman,

I strongly urge against the SEC's adoption of its proposed changes to shareholder rights [amending SEC Rule 14a-8 (Release No. 34-87458; File No. S7-23-19)]. This will initiate a change to every outstanding securities contract involving Class A shares, from executive compensation to business valuation and injects regulatory and political uncertainty into US equity markets when these are currently benefiting from flight of capital from regulatory and political uncertainty in financial markets elsewhere. The current options available to companies who want less Class A shares outstanding but still seek liquidity from equity issuance include restructuring their companies and issuing new shares from separate companies like Alphabet's listing of GOOG and GOOGL stocks with different shareholder rights for each, or Facebook's very closely controlled voting structure by ownership and Board control. Companies can also take their companies private, never go public, or choose from various options if they do not feel that issuing Class A shares is optimal for them, including buying those shares back. However, changing the legal rights attached to currently outstanding voting shares adds irresponsible uncertainty to all US financial asset classes, which are enjoying a premium from the US financial system's renowned legal, regulatory and securities contract reputation as stable and sound. The net cost/benefit to companies of this voting structure err on the positive, while the votes passed are precatory or non-legally binding recommendations by nature. Due to these considerations, there is every reason not to change the current structure and no compelling material or logical reason to change it.

Shareholder voting rights are a primary structural feature of our financial system of securities and contract law, built into the prices of stocks of different share-classes and derivatives based on them. Any change to this system is a radical departure from the status quo and history and will affect the prices of all equity instruments and portfolios in which they exist. Any revocation of voting rights and privileges of common equity shares represents a series of contract changes and the delusion of the value of common stock, outright, alongside all prices using common stock as the benchmark. These prices are built into compensation, performance and benefit packages, corporate mergers and acquisition deals and all negotiated contracts involving US equities. The proposed regulatory changes would signal new contract

law uncertainty which makes the rationality of financial pricing difficult, potentially lowering liquidity in these markets and making more risky and speculative their trades, ultimately changing the asset class fundamentally, and potentially all US financial assets by signaling legal uncertainty in US securities contracts. Every single outstanding contract involving these securities would have to be revisited and renegotiated, as the underlying asset would have contractually changed.

What is being asked of companies currently? In the process of filing shareholder resolutions for company consideration at their annual meetings, all concerns raised are of material significance to shareholder value and excluded from the proxy materials if the resolution treads into ordinary business or offers recommendations that would constitute micromanagement. Most resolutions ask for risk consideration or study of some sort. The content of resolutions that are passed, even by a majority vote, is not legally binding in nature but precatory, or simply advisory guidance to be considered. If passed, the company need only demonstrate the Board's due-diligence in assessing, monitoring and addressing the material risk of the matter raised.

While shareholder resolution voting rights currently are circumscribed in their ability to determine corporate business activity or actions that are of net estimated material cost, there are significant benefits of this process of allowing input from shareholders. In lieu of corporate expenditures on branding and publicity to grow their businesses, corporations have access to market and investor research on key issues of public concern to shareholders through the shareholder resolution process. Deloitte, McKinsey, and other consultancies and public relations and advertising agencies providing this crucial data and research are costly and increasingly so as demand for their services and research grows.

Among large companies (500+ employees) in the United States, 46 percent engaged in PR activities; 19 percent hired an external agency to handle them. Among small and medium sized enterprises, 31 percent invested marketing dollars in public relations, and 15 percent stated PR was the marketing tactic they relied on most to grow their business....

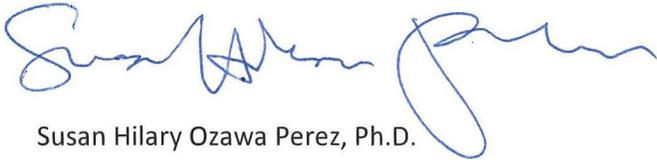
Market data for this fast growing sector designed to promote the interests and image of clients, shows that the worldwide public relations revenue is projected to grow from 14 billion U.S. dollars generated in 2016 to approximately 19.3 billion by 2020. In the United States, PR agencies generated a revenue of 13.5 billion U.S. dollars in 2016, experiencing a significant growth compared to previous years. (Source: <https://www.statista.com/topics/3521/public-relations/>)

The shareholder rights framework is a key feature of securities law and embedded in pricing and contracts, offering information to corporations by way of input from shareholders on material public policy issues that may pose risk and future costs or provide leverageable insight to inform branding and reputation strategies. The policy changes being considered by the SEC represent contract revisions of several key assets classes central to the US financial system and global economy, whose terms are currently embedded in common stock rights and pricing. Any and all changes to these rights must be

considered a write-down in US common stock value writ large with disruptive, unforeseeable, knock-on effects that merit greater consideration.

Please feel free to contact me if you have any questions, at [REDACTED]

Sincerely,

A handwritten signature in blue ink, appearing to read "Susan Hilary Ozawa Perez". The signature is fluid and cursive, with a large loop at the end.

Susan Hilary Ozawa Perez, Ph.D.

Portfolio Manager