

January 18, 2020

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

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

Via Electronic Submission

Re: Comments on Proposed Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice (File No.: S7-22-19) and Proposed Amendments to Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8 (File No: S7-23-19)

Dear Chairman Clayton, Secretary Countryman and members of the SEC:

I am submitting these comments in response to the Securities and Exchange Commission's proposed rulemakings published in the federal register on December 4, 2019 (84 FR 66518 and 84 FR 66458).

My concern stems from my being an investor, a mother, a grandmother, and a citizen of the United States. I have voted my shareholder proxies for more than fifty years, in each case carefully considering the shareholder resolutions that often touch on areas that concern me greatly and that challenge the proforma resolutions offered by the corporations in which I invest.

The purpose of the Securities and Exchange Commission is to protect investors. Shareholder resolutions are a powerful way to hold corporations accountable, to discourage or at least expose corporate practices that are unsustainable, unethical, and causing harm, and to illuminate company's exposure to legal and reputational risk. Rather than protecting the shareholders, the SEC's proposed rule changes go a long way to stifle the rights of investors, especially smaller investors, to raise issues of concern about business practices at the companies whose shares they own.

The first proposed rule not only dramatically increases the amount of shares investors must hold to file resolutions at their companies, it significantly increases the vote thresholds necessary for refiling, and creates numerous steps that make it more difficult for others to file resolutions on their behalf. The second proposed rule suppresses the voices of independent proxy advisory firms that make informed participation possible for small shareholders. The proposed rules are prejudicial and unnecessary, and we urge the SEC to withdraw them.

As someone committed to doing whatever possible to ensure that the next generations have a livable world, I want the companies in which I own shares to take responsibility for remediating the harm they are causing to the climate and environment and for not ignoring the risks they are exposing to themselves as companies, to their shareholders, and to all United States citizens.

The Proposed Rules Undermine the Rights of Shareholders

It is clear that the current threshold to file a shareholder proposal was intentionally set at a level of \$2,000 to allow individual shareholders as well as institutional investors to submit shareholder resolutions. The proposed rule that raises the ownership requirement to \$25,000 for investors who have owned shares for one year is clearly discriminatory. Why should I, as a new investor, have to meet this high a threshold? I have diversified holdings. I rebalance my portfolio on a regular basis. I get to vote my proxies and attend shareholder meetings even with a very small number of newly acquired shares. Why should the hurdle for submitting a shareholder proposal be increased by 1200% for me as a new, smaller investor?

The proposed rule change disadvantages me as a shareholder simply because I am a recent investor. These proposed requirements are discriminatory to small investors without justification.

The Proposed Rules Improperly Impinge on Shareholder Rights to Be Represented by Agents

Make no mistake, we know how hard it already is to have shareholder resolutions permitted. As a member of Mothers Out Front, we have experience with it taking multiple years and vast amounts of expertise to get SEC approval for our shareholder resolution submissions. And yes, we work with other organizations because we all know that the hurdles are already high and the technical requirements complex.

I value the fact that managers or other agents may file a proposal on my behalf or represent my interests. The proposed rule amendments make this very hard and burdensome. I do not need the SEC to protect me from the agent that I have selected. As an average shareholder, I need to rely on agents who have the expertise in the complicated filing procedures already required by the SEC. Making the representational process even harder and more restrictive only hurts me as an investor with no clear benefit other than, apparently, to limit or prevent the efficient representation of shareholders.

As I mentioned, I vote my own proxies in many cases – but not all. In the case of my holdings that are mutual funds or managed by institutions, I work with the institutions to vote my proxies whenever I can. When I cannot, I put pressure on the institutions to vote my proxies appropriately to address my concerns. I realize many investors, particularly small investors, rely on proxy advisory firms' ability to help them and institutional investors by providing independent, efficient, and cost-effective research services to inform their proxy voting decisions. The proposed amendments will make it harder for proxy firms and their clients to get information and therefore vote their proxies as best they can.

There Are No Demonstrable Problems with the Existing Rules

The existing rules work. I have learned that the number of shareholder proposals have not increased over the years. The majority of issues raised by shareholder proposals have been timely and important in reducing risk to companies and increasing value to shareholders.

The SEC's proposed rules have not demonstrated a sufficient need that would justify impinging on important shareholder rights. Because the proposed rules are arbitrary and capricious and detrimental to the rights of shareholders, I urge the SEC to withdraw the proposed rules.

One final thought: Although the SEC rules apply only to shareholders, in this new world of climate crisis, every person has a "stake" in what corporations do. We all, shareholder or no, share in the risks created by corporate environmental damage. We all, shareholders or no, will suffer from effects of irresponsible corporate actions. We all deserve to be heard.

Submitted by:

Ann Woll

Cambridge, Massachusetts