



SANT FOUNDATION

January 9, 2020

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

via email: chairmanoffice@sec.gov; rule-comments@sec.gov

Re: S7-23-19 Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8

Dear Chairman Clayton:

I write today on behalf of the Sant Charitable Foundation, Inc. (the “Sant Foundation”), a Washington, DC-based private foundation, to convey our strong opposition to amending certain procedural requirements and resubmission thresholds under Exchange Act Rule 14a-8. The Summit Charitable Foundation, Inc., a related Washington, DC-based private foundation, joins us in this letter.

Our mission as a foundation is to “Promote sustainable resources, sustainable communities, and the institutions that support them.” We advance this by making grants to public charities whose work benefits both people and the planet. We rely on the income and appreciation of investments in our portfolio to fund these grants, so we are extremely concerned about the long-term value of the companies that we own. But more than just exercising our fiduciary duty, we believe it is the role of shareholders, particularly foundations, to be active owners and to work for positive environmental, social, and economic impact across their portfolios.

As investors, we rely on the current rules governing the shareholder proposal process to address long-term, material risks to the value of our portfolio. We strongly oppose the SEC’s proposed rules which we believe will severely limit the rights of shareholders to engage with the companies they own. Rather than trying to change a system that is not broken, we believe the SEC should work to strengthen avenues for active ownership and shareholder engagement in the future. Such engagement benefits all investors as it makes companies more accountable to their owners and more transparent about the material risks and opportunities they face.

The proposed increase in ownership thresholds and holding periods will make it more difficult for relatively small investors like the Sant Foundation to voice important concerns and raise issues of risk to the companies we own. Moreover, the proposed increase in resubmission

thresholds also threatens to exclude important proposals. The quality of the ideas being proposed should remain more important than the size of the investor making the proposal. It should be the will of the market, as evidenced by the votes of shareholder owners, that should guide corporate practices. Rather than being a burden on markets, as critics of the current shareholder engagement process complain, a robust proxy process is required for markets to work as intended and deliver long-term value to all investors.

Please consider our opposition to the proposed rule changes and our support for the shareholder proposal process as currently practiced under Rule 14a-8. The proposed changes threaten to exclude owners and harm their ability to improve the long-term value of the companies they own. The filing of resolutions is a fundamental tenet of shareholder democracy that should be protected.

We appreciate this opportunity to provide input into the proposed rulemaking. We are available to provide further input should it be helpful in deliberating these matters.

Respectfully submitted,

A handwritten signature in blue ink, consisting of the letters 'ANS' followed by a long horizontal stroke extending to the right.

Alexis G. Sant
President
Sant Charitable Foundation, Inc.