

# Church Investment Group

Serving the Episcopal Church and Its Christian Mission



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

January 29, 2020

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

RE: Proposed Rule on Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8; File Number S7-23-19

Dear Ms. Countryman:

On behalf of the Church Investment Group, we are submitting comments on the "Proposed Rule on Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8," File Number S7-23-19.

The Church Investment Group is a non-profit with over \$90 million in assets which enables Episcopal Church endowments to invest at scale. We have a fiduciary responsibility to our Episcopal endowments to maximize the probability of attractive long-term returns and we believe that that duty includes engaging with corporations to effect constructive improvements in corporate governance and well as other matters of financial sustainability.

The shareholder proposal process is one of the most visible and verifiable ways in which investors can practice responsible ownership. This proposed rule, by changing submission and resubmission thresholds, among multiple other alterations, will make it significantly more difficult for investors to get critical issues on the meeting agendas of publicly traded companies. The proposals, particularly the momentum rule and the prohibition of share aggregation, also increase the complexity of this process.

The proposal transfers power to management at the expense of their shareholders, who are the ultimate owners of corporations. Investors have not sought these changes. For investors who index their equity holdings, even large investors may not hold \$15,000 or \$25,000 of a security at the outset of their holdings. Shareholders should not be forestalled from timely engagement with the companies in which they invest.

The shareholder proposal process is one of the least costly ways of alerting companies and their investors to emerging issues, assessing shareholder perspectives and improving governance, disclosure, risk management, and performance. More costly alternatives to shareholder proposals include voting against directors, lawsuits, books and records requests and requests for additional regulations. Each of these is more onerous and adversarial than including a proposal in the proxy statement for the consideration of shareholders.

Rule 14a-8 is working for investors. The revisions put forward are unacceptable. The SEC should protect investors' ability to help hold publicly traded companies accountable rather than creating higher thresholds and more complex rules. Thank you for your consideration of these comments.

Sincerely,  
JoAnn Hanson  
President

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