



February 3, 2020

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-0609

To Whom It May Concern,

On behalf of Blue Haven Initiative, a U.S.-based family office, we would like to provide a comment letter on the “Proposed Rule on Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8,” File Number S7-23-19.

The shareholder proposal process is vital to ensuring that our capital markets remain dynamic and efficient. Shareholder resolutions are the most direct and transparent communication mechanism between company management and shareholders. This rule change will limit the volume and increase the complexity of those communications, making it more difficult for investors to get critical issues on the meeting agenda of public companies.

Last month, Chairman Clayton said the SEC’s “first goal is to protect the long-term interests of Main Street Investors.” However, this rule raises the minimum ownership threshold to file shareholder resolutions by 1,200%, eliminates Main Street Investors’ ability to aggregate shares to meet that new threshold, and the momentum rule’s intended consequence is to remove issues from the ballot more quickly. It is inarguable that this rule change will limit the ability of Main Street Investors to participate in the shareholder proposal process. We believe this is inconsistent with the SEC’s stated goal of protecting the Main Street Investor.

If, in your view, this rule change is indeed consistent with the SEC’s stated goal, the inescapable conclusion is that the SEC believes the best way to protect Main Street Investors is to diminish their participation in the shareholder resolution process. This view is inconsistent with a long history of shareholders (including many Main Street Investors who would now be prohibited from filing resolutions) raising critical, material issues like board diversity, greenhouse gas emissions, and nondiscrimination policies.

The Business Roundtable, an ardent supporter of this rule change, recently made headlines by releasing its Statement on the Purpose of a Corporation. That statement concluded by saying, “Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country.” According to SEC Commissioner Robert Jackson, a small sampling of the immediate effects of this rule change would include:

- More than 50% of current proposals restricting executive stock sales would be excluded from the ballots for three years
- 65% of proposals for better reporting on climate change would be excluded
- 50% of board diversity proposals would be excluded



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- 40% of political spending disclosure reporting proposals would be excluded

At a time when market participants are affirming the inextricable link between a broad array of stakeholder interests and the financial health of their businesses, this rule serves to choke off one of the most important avenues of that dialogue and dampen investors ability to hold corporate management accountable.

Thank you for your consideration of these comments.

Sincerely,

Liesel and Ian Simmons  
Co-Founders and Principals  
Blue Haven Initiative