



# CITIZEN SHAREHOLDERS

A Global Solution for a Globalized World

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

May 26<sup>th</sup>, 2020

Dear Ms Countryman,

Citizen Shareholders (“we”) appreciates the opportunity to provide comments to the U.S. Securities and Exchange Commission (the “Commission”) in response to the proposed amendments to the Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8.

We would agree with the Commission that the current state of affairs is less than satisfactory and that the support for externally proposed resolutions is not always as well thought out as it could be.

Thus, we would agree that the Commission is right to explore how it can change the rules to improve corporate governance for the benefit of all shareholders. The answer, we believe, is not to reduce democratic power, but to increase it.

In a globalized world that is increasingly dominated by publicly listed multinationals with turnovers that exceed the GDPs of many nations, a world where many people are feeling increasingly disempowered and disenfranchised, it is easy to overlook the fact that some \$40 trillion in listed equity is owned by people through their collective investments.

In the US, over 100 million Americans are denied the right to vote the shares they own through their collective investments. Globally, this number rises dramatically.

When the likes of Larry Fink (BlackRock) demands a new model of shareholder engagement, and JPMorgan’s Jamie Dimon warns of “so many issues that inhibit the creation of an inclusive economy and fray our social fabric”, we believe it is time to demonstrate that capitalism can be a self-correcting mechanism.

For more than 3 years, Citizen Shareholders has been working on a solution to democratize corporate governance.

Our goal:

**To align the behaviors of the corporations that dominate our planet with the interests of the millions of people who own them through their pensions and investments.**



# CITIZEN SHAREHOLDERS

## A Global Solution for a Globalized World

The attached deck lays out how we can empower 100 million Americans, and hundreds of million more around the world, by offering a service to Asset Managers that converts any and all equity containing collective investments, active and passive, into Ethically Engaged Impact Funds without any changes to portfolio composition. This will transform disenfranchised indirect shareholders into empowered Citizen Shareholders.

As well as voting at General Meetings of Shareholders, Citizen Shareholders will also be able to support externally proposed resolutions so that they can trigger minority rights. We achieve this by aggregating support/votes across all Asset Managers and all jurisdictions.

We have spent considerable time and effort exploring how to ensure meaningful engagement with externally proposed resolutions to ensure long-term sustainable decision making, shielded from whim and whimsy.

A part of this involves getting externally proposed company resolutions rated for their ESG impact as well as for their financial impact - we make use of a generic 30-year bond instrument we have devised specifically for this purpose.

Even more important, the Markets need a system that is, and is perceived to be, truly democratic. This is best achieved by treating all shareholders and all resolutions, whether proposed by the board or through the triggering of minority rights, equally:

**All support for externally proposed resolutions should be treated equally.**

The rise of communism was not caused by a surfeit of democracy, but by a lack of it. Yes, the evolutionary changes we are proposing will have a revolutionary effect, but amongst their opponents, alongside the vested interests, will be those that would rather have an actual revolution.

**All resolutions approved by the shareholders at a General Meeting of Shareholders should be binding.**

Empowering people, including the 100 million Americans currently disenfranchised, is the route to restoring faith not just in the market, but in capitalism itself. Those that bear the investment risk should not be denied the right, and the ability, to fully engage in the corporate governance process.

Society can not afford the growing disconnect between Main Street and Wall Street. As much as we may wish to, there is no way to wind back the clock on globalization. We must embrace the future whilst not losing sight of our past.

In these extraordinary times, the Commission has the opportunity, and is uniquely placed, to reinforce the democratic principles on which the United States was founded.



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Let us not embrace an old, elitist governance 'for the board by the board' mentality. Instead let governance '*by the shareholders for the shareholders*' be the new normal.

For those concerned that people are "too emotional" to make these kinds of decisions, we would remind the Commission that this is precisely the same argument used 100 years ago in an attempt to deny women the vote.

The time has come for the SEC to embrace universal suffrage:  
**VOTES FOR WOMEN and everybody else too!**

As the Commission considers our response to the proposed changes, we would urge you to do so in accordance with your own mission statement:

*"The mission of the SEC is to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation.*

*The SEC strives to promote a market environment that is worthy of the public's trust."*

We at Citizen Shareholders are keen to engage and collaborate with the SEC to achieve this goal, and we look much forward to hearing back from you.

Respectfully yours,

Paul Cannon  
Founder  
Citizen Shareholders Ltd.  
Citizen Shareholders International

Shirani Rajapaksa  
Co-CEO  
Citizen Shareholders  
International Ltd.

Markus Krebsz  
Co-CEO  
Citizen Shareholders Ltd

Level 39  
One Canada Square,  
London  
E14 6GT



# CITIZEN SHAREHOLDERS<sup>®</sup>

A global solution for a globalized world

## SEC Explainer Deck

evolutionary change – revolutionary effect<sup>®</sup>

# Our 'Why'

To change the behavior  
of the corporations that  
dominate our planet

*"Capitalism is the most  
successful economic model  
this planet has ever known.  
It's also the one that's  
destroying it.*

***We're going to change that."***

Paul Cannon  
Founder  
Citizen Shareholders





## **Our 'How'**

Impartially:

The only cause we support is  
Universal Suffrage

**Votes for Women and  
Everybody Else Too!**

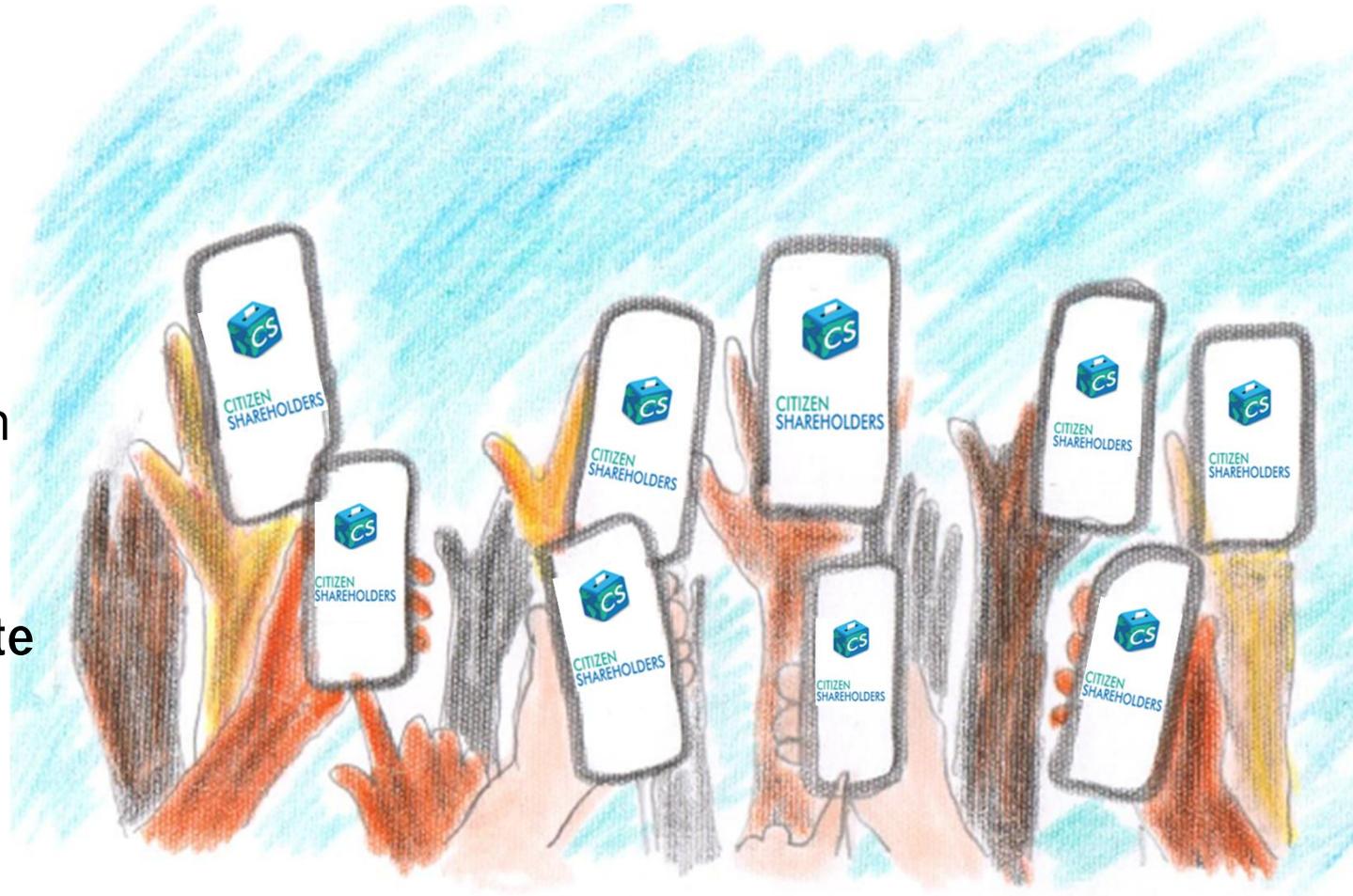
You get to say what matters to you!

# Our 'What'

An app for you to vote the shares you own through your pensions and investments.

Together, you and others will be able to vote on the **\$40 trillion** in shares owned in these types of investments.

**Get the issues that matter to you onto the only corporate agenda that counts, the Annual General Meetings of Shareholders**





A single place where  
you can vote all the  
shares you own  
through any pension  
or investment\*

\*that chooses to transform their indirect  
shareholders into Citizen Shareholders



6.5 million supporters



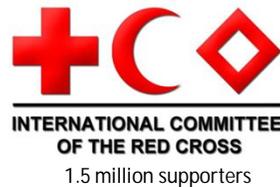
Citizen Shareholders  
can choose to follow a  
*Default Advisor (DA)*- a role we  
developed with the regulator.  
This sets all the voting positions  
to that of the chosen DA



4.3 million supporters



Citizen Shareholders  
can change their position on  
resolutions, or their  
Default Advisor,  
whenever they want



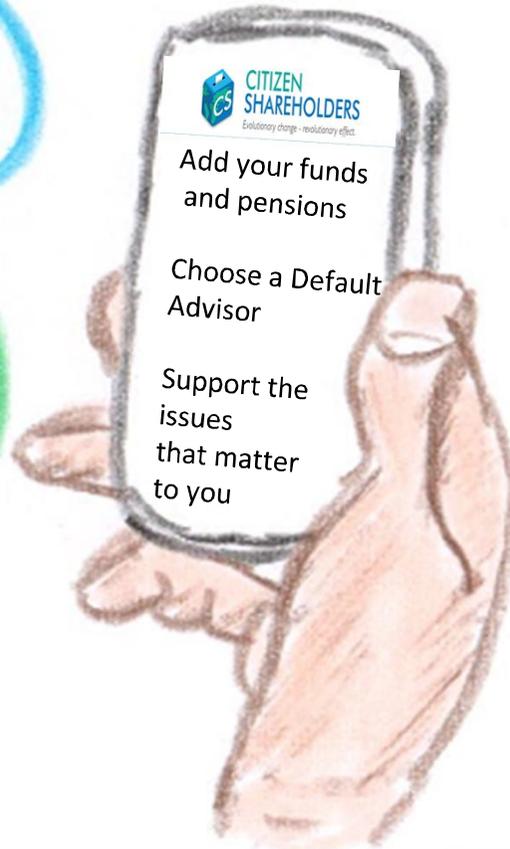
# Citizen Shareholders is building a mechanism for people to influence companies by using these shares to change the world.

*"The Company resolves that from 2023 it will only sell firearms and ammunition in States that administer 'red flag' laws."*

National Campaign for Responsible Gun Ownership

*"The Company resolves to remove bisphenol A (BPA) from products and packing that come into food and beverages by 2024."*

The Breast Cancer Charity



*"The Company resolves to having a gender imbalance of no greater than 30% in its board composition by 2025."*

Future Gender LLP

*"The Company resolves to spend more on developing non-carbon-based energy sources as it does on the discovery and development of fossil fuels."*

Howlett Foundation



## **Get a healthier nest egg and a healthier world**

Over the long-term,  
companies that adopt  
sustainable strategies  
outperform those  
that don't

**Saving for the future  
shouldn't cost the earth**

# Our Structure

## For-profit 'Electoral Mechanism'

Provides a SaaS to Asset Managers converting any equity-containing fund into an Ethically Engaged Impact Fund

Transforms you from an indirect shareholder into a ***Citizen Shareholder***

*We donate 20% of all revenue to the 'Electoral Commission'*

## Not-for-profit 'Electoral Commission'

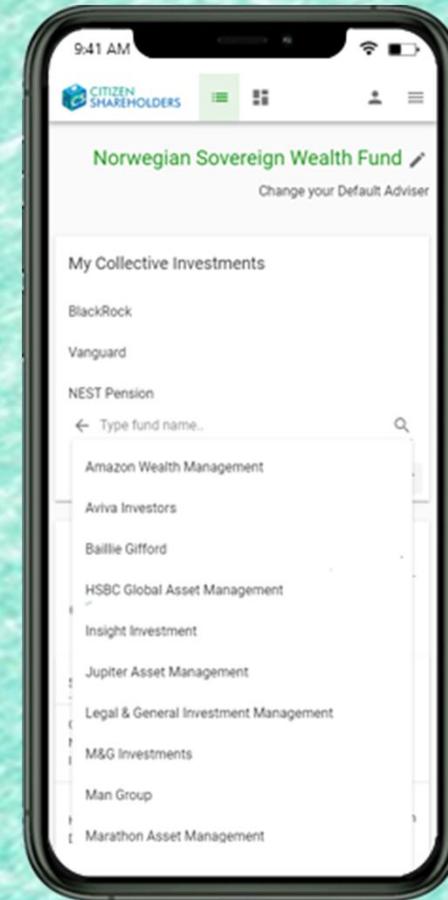
Oversees and funds the Default Advisor program

Manages the ***Citizen Shareholder Assemblies*** - the source of the externally proposed company resolutions

# How does it work?

The Citizen Shareholders app allows you to vote all the shares in your pensions and investments in one place.

It aggregates support for external resolutions detecting when minority voting rights are triggered, and allows voting at General Meetings.



# Indirect shareholders become Citizen Shareholders

**CITIZEN SHAREHOLDERS** RESOLUTIONS DASHBOARD ACCOUNT

Norwegian Sovereign Wealth Fund   
Change your Default Adviser

My Collective Investments

- BlackRock
- Vanguard
- NEST Pension
- Amazon Wealth Management (pending)

+ PENSION/INVESTMENT

Search

Resolutions  Proposed Resolutions

Company	Resolution	Support
Global Food AG	The Company resolves to remove bisphenol A (BPA) from products and packing that come into food and beverages by 2024	55% ✓
US Mart Inc	The Company resolves that from 2023 it will only sell firearms and ammunition in States that administer 'red flag' laws.	13% abstain
Big Oil Inc	The Company resolves to spend more on developing non-carbon based energy sources as it does on the discovery and development of fossil fuels.	25% ✓
Mega Insurance PLC	The Company resolves to having a gender imbalance of no greater than 30% in its board composition by 2025.	90% ✗
Big Pharma AG.	The company hereby resolves to pool its resources to develop and deploy a vaccine during WHO declared Global pandemics.	65% ✓

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mail@citizenshareholders.com Level 39, One Canada Square, London E14 5AB

It's time to make *every fund* an Ethically Engaged Impact Fund.

Join  
Citizen  
Shareholders  
Today

and demand your  
right to vote!

# How do you become a Citizen Shareholder?

If you have, or ever hope to have, a pension or an investment, click here:  or visit [citizenshareholders.org](https://citizenshareholders.org)

For individuals (you) it's **FREE** and always will be.

If you'd like to be a Default Advisor - and help your supporters achieve change, not only is it free, we'll even **share revenue** with you!

To find out more email: [advocacy@citizenshareholders.com](mailto:advocacy@citizenshareholders.com)

If you're an Asset Manager or Pension Scheme looking to **grow/keep your market share** with the 80%+ of people who'd prefer to be Citizen Shareholders: contact [grow@citizenshareholders.com](mailto:grow@citizenshareholders.com)

# The Team



**Paul Cannon**  
Strategy &  
Culture  
*Founder*



**Markus Krebsz**  
Operations  
*UBS/HSBC/World Bank*



**Shirani Rajapaksa**  
Comms  
*Acting CEO*



**Mark Jarvis**  
Growth  
*BAE/Flemings/EY*



**Todd Leder**  
Network Security  
*BlackRock*

## Advisers



**Baroness Bowles**  
*LSE Director*



**Sally Graham**  
*Fern Equity*



**Neeta Mundra**  
*Salesforce*



# CITIZEN SHAREHOLDERS

*Evolutionary change - revolutionary effect.*

***Saving for the future shouldn't cost the earth®***

Join our mission to change the behavior of companies that dominate the planet

For more information email [grow@citizenshareholders.com](mailto:grow@citizenshareholders.com)

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