



BY EMAIL TO RULE-COMMENTS@SEC.GOV

January 4, 2021

Vanessa Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

RE: The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change to Adopt Listing Rules Related to Board Diversity; File No. SR-2020-081

Dear Ms. Countryman:

On behalf of The Collective (“The Collective”) and Banneker Ventures (“Banneker”), I am pleased to submit this comment to the U.S. Securities and Exchange Commission (the “Commission”) in response to the above-referenced proposed rule changes (the “Proposed Rule Changes”) regarding board diversity submitted by The Nasdaq Stock Market LLC (“Nasdaq”) on December 4, 2020 pursuant to Rule 19b-4 under the Securities Exchange Act of 1934.

The Collective is a national group of Chief Executive Officers whose members consist primarily of African-Americans and whose businesses range from real estate, construction, technology, steel, food services and consulting. Together, our businesses generate tens of millions of dollars annually and our corporate holdings and investments total in excess of \$300 million. Banneker is a Mid-Atlantic based real estate development and construction company. For the past three years (2018, 2019 and 2020), Banneker has been listed on *Black Enterprise Magazine’s* BE 100 for being one of the largest African-American companies in the United States. For nearly four years prior to starting Banneker, I was an Associate at Kramer Levin Naftalis & Frankel LLP where I advised public and private investment companies and their Boards of Directors.

We believe that Nasdaq’s proposed rule changes to adopt listing rules related to board diversity should be commended. We agree with Nasdaq’s analysis prepared by two dozen studies which found an association between diverse boards and better financial performance and corporate governance. We further believe that more diversity is needed on boards of publicly traded companies as well as throughout senior management of publicly traded companies.

Additionally, we believe that proposed Rule 5605(f) (Diverse Board Representation) makes a ton of sense and should be adopted. However, we believe that the list of the proposed categories outlined in 1(a)(i)(B) of the proposed Rule should be limited to individuals from underrepresented racial minorities as it would more align with the stated purpose of the Proposed

Rule Change and “the social justice movement which has brought heightened attention to the commitment of public companies to diversity and inclusion.” The social justice movement that was sparked in 2020 due in part to George Floyd’s murder and over a dozen other murders of Black men and women last summer by police officers in cities across the country centered around racial injustice. And we believe that racial perspectives on public company boards will provide the most insight in advancing social justice in boardrooms across the country.

Finally, we believe that NASDAQ-listed companies should have two diverse directors within one calendar year after the Approval Date. As such, proposed Rule 5605(f)(2) should provide NASDAQ-listed companies with one calendar year after the Approval Date to have, or explain why it does not have, two diverse directors. We do not believe that allowing companies considered Nasdaq Global Market, Global Select Market or Capital Market tier up to five calendar years after the Approval Date to comply with the requirements of proposed Rule 5605(f)(2) is in the best interest of the markets, these companies or our communities. We also do not believe that requiring companies listed on these tiers to comply with the requirement of (f)(2) adds any “compliance burdens” on these companies. As such, we believe that companies listed on these tiers should be under the same one calendar year requirement to comply with the requirement for statistical information. Nasdaq’s own studies included along with the Proposed Rule Changes did not mention any difficulty with the boards of Nasdaq-listed companies finding racially diverse candidates to serve on their boards. In contrast, the studies found that 20 weeks after George Floyd’s death, 130 racially diverse directors were appointed to Russell 3000 corporate boards versus 38 who were appointed in the preceding five months. As such, we do not think that any of the Nasdaq-listed companies will have any issue with including at least one racially diverse member to their boards within one calendar year of the Approval Date.

Thank you for the opportunity to share our perspective on this very important matter. We would welcome any opportunity to further engage with the Commission as it considers the Proposed Rule Changes.

Sincerely,

A handwritten signature in blue ink that reads "Omar Karim". The signature is fluid and cursive, with a long horizontal stroke at the end.

Omar A. Karim
President, Banneker Ventures and
Chairman, The Collective