



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-4561

February 2, 2012

Alan F. Denenberg  
Davis Polk & Wardwell LLP  
alan.denenberg@davispolk.com

Re: Reliance Steel & Aluminum Co.  
Incoming letter dated January 11, 2012

Dear Mr. Denenberg:

This is in response to your letter dated January 11, 2012 concerning the shareholder proposal submitted to Reliance by John Chevedden. We also have received a letter from the proponent dated January 11, 2012. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Ted Yu  
Senior Special Counsel

Enclosure

cc: John Chevedden

\*\*\* FISMA & OMB Memorandum M-07-16 \*\*\*

February 2, 2012

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: Reliance Steel & Aluminum Co.  
Incoming letter dated January 11, 2012

The proposal requests that the board adopt a policy that, whenever possible, the chairman shall be an independent director, by the standard of the New York Stock Exchange, who has not previously served as an executive officer of Reliance.

We are unable to concur in your view that Reliance may exclude the proposal under rule 14a-8(i)(3). We are unable to conclude that the proposal is so inherently vague or indefinite that neither the shareholders voting on the proposal, nor the company in implementing the proposal, would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires. Accordingly, we do not believe that Reliance may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(3).

Sincerely,

Angie Kim  
Attorney-Adviser

**DIVISION OF CORPORATION FINANCE  
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

JOHN CHEVEDDEN

\*\*\* FISMA & OMB Memorandum M-07-16 \*\*\*

\*\*\* FISMA & OMB Memorandum M-07-16 \*\*\*

January 11, 2012

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**# 1 Rule 14a-8 Proposal**  
**Reliance Steel & Aluminum Co. (RS)**  
**Independent Board Chairman Topic**  
**John Chevedden**

Ladies and Gentlemen:

This responds to the January 11, 2012 company request to avoid this established rule 14a-8 proposal.

To promote its view the company implicitly makes the controversial claim that the New York Stock Exchange and the Council of Institutional Investors are equally important in setting standards for NYSE member companies. The company is listed on the NYSE.

The Council does not have the power to set listing standard for companies on the NYSE. And the Council of Institutional Investors may have a staff of only 10 employees.

The Reliance Steel & Aluminum Co. Principles of Corporate Governance (key pages attached) are 1700-words rely on the director independence rules of the NYSE and yet still do not find it necessary to explain the NYSE rules on director independence. On the other hand rule 14a-8 proposals are limited to only 500-words.

The company second-guesses how *Allegheny Energy, Inc.* (February 12, 2010) might have been decided had circumstances been different.

The lengthy company Item B fails to give a rule to support how part of a proposal can be called the resolved statement and how part of a proposal can be called the supporting statement. The company does not describe its purported formula for determining that consecutive words must belong to the supporting statement instead of the resolved statement.

Plus the company seems to base its argument on a purported impossibility that its current CEO could ever agree to serve "under an employment contract or any other contractual agreement."

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2012 proxy.

**RELIANCE STEEL & ALUMINUM CO.**  
**PRINCIPLES OF CORPORATE GOVERNANCE**

**Purpose of the Board of Directors**

The primary role of the Board of Directors of Reliance Steel & Aluminum Co. (the "Board") is to represent the interests of the Company's shareholders in the strategic and material decisions of the Company. Among the most important responsibilities are the determination of corporate policies, the nomination of directors, the selection and evaluation of the Chief Executive Officer ("CEO"), the ongoing review of the senior management team, planning for management succession and the review and approval of executive compensation. The Board will also provide advice and guidance to management on a broad range of high-level decisions. Its decision-making role should be limited to strategic, financial, organizational, and ethical issues that are material in the context of the Company's entire business. The Board will consider management's conclusions regarding the materiality of any given issue but the Board shall be the final decision-maker regarding materiality.

**Responsibilities of Key Leaders**

**Chief Executive Officer**

The CEO is the executive manager responsible for the overall performance of all segments of the Company's business. The CEO is also responsible for operational strategy and planning for the Company, with long-term growth and competitive strength being primary objectives. The CEO is responsible for the hiring, organization and evaluation of management and recommends management and compensation for management. It is the CEO's responsibility to ensure that management and employees conduct business with high ethical standards. The CEO is also responsible for the Company's interaction with key outside parties, such as governing and regulatory bodies, industry groups, the media, rating agencies, security analysts and substantial shareholders.

**Chairman of the Board**

The Chairman of the Board shall be a non-executive position. It is the Chairman's responsibility to conduct Board meetings, administer the activities of the Board and facilitate communication between management and the Board. Further, the Chairman, and the Lead Director, if any, will make the final determination of the agenda for the Board meetings. Together with the CEO, the Chairman acts as a conduit to outside shareholders, taken as a whole.

**Lead Director**

If the independent directors elect a Lead Director, the Lead Director shall be a non-management director. It is the Lead Director's responsibility to conduct meetings of the non-management directors and facilitate communication between non-management

directors and management and between independent directors and the full Board. The Lead Director will make the final determination of the agenda for the meetings of the non-management directors.

### **Board Composition**

#### **Selection of Chairman and CEO**

The Board should be free to select the Chairman and the CEO in any way that, in its opinion, is best for the Company at a given point in time. It is the Board's policy that the positions of Chairman and CEO may be held by one person.

#### **Size of the Board**

The Bylaws authorize a minimum of 7 and a maximum of 13 directors, with the actual number of directors to be determined by resolution of the Board. The actual number of directors may fluctuate from time to time within the range. At this time, the Board has determined that 8 to 10 members is the optimum size of the Board, including at least 6 members, but not less than a majority, who can be classified as independent under applicable rules of the Securities and Exchange Commission ("SEC") and the New York Stock Exchange ("NYSE").

#### **Mix of Directors**

The Board has decided that there should be at least 6 members, but not less than a majority of the Board, who are independent directors. The Board has determined that 6 of the current directors have no interest or conflicts that would prevent them from exercising independent judgment in matters that come before the Board and that they are independent directors as defined by the SEC and the NYSE. Directors should not serve on more than 2 other boards of directors of public, for-profit companies.

#### **Board Membership Criteria**

The Nominating and Governance Committee is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include issues of management experience, general business knowledge, age, and specific skills or expertise, such as finance, value-added wholesaling, technology, business law and marketing and should include succession planning. The Board encourages the Nominating and Governance Committee to seek diverse experiences and backgrounds when considering candidates. Such assessment is to be made in the context of the perceived needs of the Board at that point in time and the requirements of the NYSE and the SEC, including the independence requirements.

#### **Selection of New Director Candidates**

The Board is responsible for selecting and nominating members subject to shareholder approval. The Board delegates the screening process involved to the Nominating and Governance Committee.

**3\* – Independent Board Chairman**

**RESOLVED:** Shareholders request that our board of directors adopt a policy that, whenever possible, the chairman of our board of directors shall be an independent director (by the standard of the New York Stock Exchange), who has not previously served as an executive officer of our Company. This policy should be implemented so as not to violate any contractual obligations in effect when this resolution is adopted. The policy should also specify how to select a new independent chairman if a current chairman ceases to be independent between annual shareholder meetings.

When a CEO serves as our board chairman, this arrangement can hinder our board's ability to monitor our CEO's performance. Many companies already have an independent Chairman. An independent Chairman is the prevailing practice in the United Kingdom and many international markets. This proposal topic won 50%-plus support at four major U.S. companies in 2011. James McRitchie and Kenneth Steiner have sponsored proposals on this topic which received significant votes.

To foster flexibility, this proposal gives the option of being phased in and implemented when our next CEO is chosen.

The merit of this Independent Board Chairman proposal should also be considered in the context of the opportunity for additional improvement in our company's 2011 reported corporate governance in order to more fully realize our company's potential:

The Corporate Library, an independent investment research firm, said there were ongoing concerns regarding our board and executive pay – only 45% of CEO pay was incentive based. Annual cash incentives for executives were based on a single performance metric and there was a lack of long-term incentives tied to actual long-term performance. The cash bonus plan was based on annual return on beginning shareholders' equity.

A mix of performance metrics is more appropriate, not just to prevent executives from being tempted to game results, but to ensure that they do not take actions to achieve one end that might ultimately damage another. In addition, long-term incentive pay consisted of time-based equity pay in the form of market-priced stock options and restricted stock awards. Equity pay given as a long-term incentive should include performance-vesting features.

Four directors had 14 to 34-years of long-tenure, including CEO David Hannah, President Gregg Mollins, Lead Director Douglas Hayes and Leslie Waite. Hayes and Waite received 27% in negative votes (2009) and still held 4-seats on our Audit and executive pay committees in 2011. Long-tenured directors can form relationships that may compromise their independence and thus hinder their ability to provide effective oversight.

Our board was the only significant directorship for 67% of our directors. This could indicate a significant lack of current transferable director experience for the vast majority of our directors.

An independent Chairman policy can improve investor confidence in our company and strengthen the integrity of our Board. Please encourage our board to respond positively to this proposal for an Independent Board Chairman – Yes on 3.\*

New York  
Menlo Park  
Washington DC  
São Paulo  
London

Paris  
Madrid  
Tokyo  
Beijing  
Hong Kong

# Davis Polk

Alan F. Denenberg

Davis Polk & Wardwell LLP 650 752 2004 tel  
1600 El Camino Real 650 752 3604 fax  
Menlo Park, CA 94025 alan.denenberg@davispolk.com

January 11, 2012

Re: Shareholder Proposal of Mr. John Chevedden Pursuant to Rule 14a-8 of the  
Securities Exchange Act of 1934

U.S. Securities and Exchange Commission  
Office of Chief Counsel  
Division of Corporation Finance  
100 F Street, NE  
Washington, D.C. 20549  
Via email: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Ladies and Gentlemen:

On behalf of Reliance Steel & Aluminum Co., a California corporation (the “**Company**”), and in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, we are filing this letter with respect to the shareholder proposal and supporting statement submitted by Mr. John Chevedden (the “**Proponent**”), on December 1, 2011 (the “**Proposal**”) for inclusion in the proxy materials that the Company intends to distribute in connection with its 2012 Annual Meeting of Shareholders (the “**2012 Proxy Materials**”). We hereby request confirmation that the staff of the Office of Chief Counsel (the “**Staff**”) will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from its 2012 Proxy Materials.

Pursuant to Rule 14a-8(j), this letter is being filed with the Commission no later than 80 days before the Company files its definitive 2012 Proxy Materials. Pursuant to Staff Legal Bulletin No. 14D (CF), *Shareholder Proposals* (Nov. 7, 2008), question C, we have submitted this letter to the Commission via email to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov).

Pursuant to Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company's intention to omit the Proposal from its 2012 Proxy Materials. This letter constitutes the Company's statement of the reasons that it deems the omission of the Proposal to be proper. We have been advised by the Company as to the factual matters set forth herein.

A copy of the Proposal and related correspondence with the Proponent is attached to this letter as Exhibit A.

### The Shareholder Proposal

The Proposal sets forth the following resolution:

RESOLVED: Shareholders request that our board of directors adopt a policy that, whenever possible, the chairman of our board of directors shall be an independent director (by the standard of the New York Stock Exchange), who has not previously served as an executive officer of our Company. This policy should be implemented so as not to violate any contractual obligations in effect when this resolution is adopted. The policy should also specify how to select a new independent chairman if a current chairman ceases to be independent between annual shareholder meetings.

Further, a portion of the supporting statement states: "To foster flexibility, this proposal gives the option of being phased in and implemented when our next CEO is chosen."

### Statement of Reasons to Exclude

**The Proposal, if adopted, is contrary to the Commission's proxy rules in that the language is impermissibly vague and indefinite so as to be inherently misleading and thus contrary to Rule 14a-8(i)(3) under the Exchange Act**

Rule 14a-8(i)(3) permits a company to omit a shareholder proposal if the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy solicitation materials. The Staff has stated that a proposal will violate Rule 14a-8(i)(3) when "the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Staff Legal Bulletin No. 14B, Section B.4 (Sept. 15, 2004); *see also Idacorp, Inc.* (Sept. 10, 2001); *Philadelphia Electric Co.* (July 30, 1992).

- A. *The Proposal is excludable under Rule 14a-8(i)(3) because it relies on an external set of guidelines but fails to sufficiently describe the substantive provisions of the guidelines.*

The Proposal asks that the Company's Board of Directors adopt a policy to require that an independent director, "as defined by the standard of the New York Stock Exchange," (the "NYSE") be its Chairman. Similar to shareholder proposals that define director independence by reference to an external standard, and which the Staff has allowed companies to exclude, the Proposal imposes a particular set of external standards on the Company's governance practices without adequately defining or describing the requirements prescribed by those external standards, such that shareholders would not be able to make informed decisions about the merits of the Proposal. *See Bank of America Corp.* (Feb. 2, 2009); *PG&E Corp.* (Mar. 7, 2008); *Boeing Co.* (Feb. 10, 2004) (each allowing exclusion of a shareholder proposal requesting that the board require the company to appoint an independent lead director, as defined by the standard of independence set by the Council of Institutional Investors, because the proposal did not explain what the standard entails).

The Staff has also consistently permitted the exclusion of shareholder proposals that request that companies follow the guidelines contained in a specifically named external source, when such proposals do not further disclose or otherwise define the substantive provisions contained in those guidelines. See *Exxon Mobil Corp.* (Mar. 21, 2011) (allowing exclusion of a proposal requesting that the company prepare a report based upon the guidelines set by the Global Reporting Initiative because the proposal did not sufficiently explain the content of the guidelines); *Boeing Co.* (Feb. 5, 2010) (allowing exclusion of a proposal requesting that the company establish a committee to review and approve all policies and actions by Boeing that might affect human rights and providing that the committee follow the Universal Declaration of Human Rights, because it did not adequately describe those standards); *Johnson & Johnson* (Feb. 7, 2003) (allowing exclusion of a proposal requesting a report on the company's progress concerning the "Glass Ceiling Commission's business recommendations" because it did not describe the recommendations). In particular, the Staff has permitted the exclusion of shareholder proposals which, like the Proposal, cite rules and regulations of federal regulatory authorities without any additional disclosure or definition as to what those rules and regulation would require for the company to implement the proposal. See *JP Morgan Chase & Co.* (Mar. 5, 2010); *AT&T Inc.* (Feb. 16, 2010) (allowing the exclusion of a proposal requesting that the company prepare a report disclosing the company's policies and procedures with respect to political contributions, which included references to "section 162(e)(1)(B) of the Internal Revenue Code" and "26 CFR § 56.4911-2", without any further explanation).

The reference to the NYSE independence standard is a central element of the Proposal, as it specifies the terms and conditions that distinguish and thereby determine whether a director would qualify as an "independent Chairman" pursuant to the Proposal. The importance of the concept of "independence" is further emphasized by the supporting statement's discussion of the need for an "independent Chairman" to "improve investor confidence in our company and strengthen the integrity of our Board." The lack of an explanation of the criteria necessary for a director to meet the NYSE definition of an "independent Chairman" deprives shareholders of "any reasonable certainty [of] exactly what action or measures the [P]roposal requires" and prevents them from being able to determine whether they wish to support the Proposal. Staff Legal Bulletin No. 14B.

The NYSE listing standards are also subject to change from time to time. The Proposal does not clearly dictate whether, if the company fulfills the request, it intends for the NYSE listing standards on director independence to be applied in their current form, in their form at the time of adoption of the policy by the Company, or in their form at the time that the Company's Board of Directors appoints each independent Chairman. The Securities and Exchange Commission (the "SEC") has recently proposed rules designed to implement the provision of the Dodd-Frank Act requiring that listing exchanges impose additional independence requirements for compensation committee members. Upon adoption of final rules by the SEC and revised listing standards by the NYSE, additional requirements may need to be met before a director who sits on the Company's compensation committee would constitute an "independent Chairman" pursuant to the Proposal, such that a director who would qualify as an independent Chairman now may not qualify in the future. As a result, neither the Company nor the shareholders would be able to determine the applicable standard of independence under the Proposal. See *Allstate Corp.* (Feb. 16, 2009); *Honeywell Int'l Inc.* (Feb. 3, 2009); *Schering-Plough Corp.* (Mar. 7, 2008); *JP Morgan*

*Chase & Co.* (Mar. 5, 2008) (allowing exclusion of proposals referencing the Council of Institutional Investors' definition of independence, in part, because the definition is subject to change over time).

We recognize that the Staff has not concurred with the exclusion of certain other shareholder proposals that similarly request that the chairman of the board be an independent director and which reference the NYSE standard. In those no-action letter requests, however, the arguments made did not include the primary basis for our no-action letter request: namely that the Proposal is vague and indefinite because it refers to an external set of guidelines without clearly describing them. See *Allegheny Energy, Inc.* (Feb. 12, 2010); *AT&T Inc.* (Jan. 30, 2009); *Kohl's Corp.* (Mar. 10, 2003). For example, in *AT&T Inc.*, the company primarily argued that the proposal was "materially false and misleading because it [led] stockholders to believe that former CEOs would be prohibited from serving as chairman of the board," and did not focus on the confusion created by referring to an external independence standard, namely the NYSE, without describing that standard. See also *Clear Channel Communications, Inc.* (Feb. 15, 2006) (not concurring with the exclusion of a proposal referencing a third party independence standard, where the company argues that the proposal's definition of "independence" is excessively convoluted without arguing that it is vague and indefinite due to the proposal's failure to describe the external standard being referenced).

*B. The Proposal is excludable under Rule 14a-8(i)(3) because the supporting statement explains the proposal as operating in a manner that is inconsistent with the language of the proposal.*

The Staff has consistently taken the position that a proposal is sufficiently vague and indefinite so as to justify exclusion where a company and its shareholders might interpret the proposal differently, such that "any action ultimately taken by the [c]ompany upon implementation of the proposal could be significantly different from the actions envisioned by the shareholders voting on the proposal." *Faqua Industries, Inc.* (Mar. 12, 1991); see *General Motors Corp.* (Apr. 2, 2008) (excluding a proposal as vague and indefinite because vague timing references in the proposal could result in action that was "significantly different" than what shareowners voting on the proposal might have expected); *Verizon Communications Inc.* (Feb. 21, 2008) (excluding a proposal as vague and indefinite because the company could not implement the proposal with certainty as a result of the executive compensation calculations being inconsistent with each other); see also *New York City Employees' Retirement System v. Brunswick Corp.*, 789 F. Supp. 144, 146 (S.D.N.Y. 1992) ("Shareholders are entitled to know precisely the breadth of the proposal on which they are asked to vote."); *Dyer v. SEC*, 287 F.2d 773, 781 (8th Cir. 1961) ("[I]t appears to us that the proposal, as drafted and submitted to the company, is so vague and indefinite as to make it impossible for the board of directors or the shareholders at large to comprehend precisely what the proposal would entail.").

The Staff has also concurred with the exclusion of proposals and supporting statements as vague and indefinite when the proposals were subject to at least two different interpretations when read in conjunction with the supporting statement. See *Jefferies Group, Inc.* (Feb. 11, 2008, recon. denied Feb. 25, 2008); *The Ryland Group, Inc.* (Feb. 7, 2008); *Prudential Financial, Inc.* (Feb. 16, 2006). For example, in *The Ryland Group*, the proposal sought an advisory vote of

shareholders to ratify and approve the board Compensation Committee Report and the executive compensation policies and practices set forth in the company's Compensation Discussion and Analysis. The supporting statement stated that the "advisory vote is an effective way for shareholders to advise the company's board and management whether the company's policies and decisions on compensation have been adequately explained and whether they are in the best interest of shareholders." Consequently, the proposal when read concurrently with the supporting statement provided two possible purposes for the vote: (1) to advise the company on whether the disclosure adequately explained the company's policies and decisions on compensation, or (2) to advise the company on whether the policies and decision were in the best interest of the shareholders. It is not possible for a shareholder voting on such a proposal or for the board acting on such a proposal to determine what vote the proposal is seeking when the supporting statement makes the language of a proposal vague and indefinite.

Furthermore, the Staff has previously concurred in the exclusion of a proposal as vague or misleading under Rule 14a-8(i)(3) when the timing of the action sought under the proposal was not clear from the proposal and supporting statement. In *SunTrust Banks, Inc.* (Dec. 31, 2008), the proponent urged the company to implement a specific "set of reforms that imposes important limitations on senior executive compensation" if the company participated in the Troubled Asset Relief Program ("TARP"). Absent from the proposal, however, was any statement regarding the duration of the limitations it sought to impose. While the proponent later indicated in its response letter, dated December 16, 2008, that the intent of the proposal was for the reforms to remain in effect so long as the company participated in TARP, the Staff noted that "[b]y its terms, however, the proposal appears to impose no limitation on the duration of the specified reforms," and accordingly the proposal was excludable in reliance on Rule 14a-8(i)(3).

As in *The Ryland Group*, the Proposal may be excluded under Rule 14a-8(i)(3) because it is subject to at least two different interpretations when read together with the supporting statement. The Proposal requests that the "board of directors adopt a policy that, *whenever possible*, the chairman of our board of directors shall be an independent director..." (emphasis added). When read literally, a shareholder would expect the policy to be implemented immediately, which would result in the selection of a new independent Chairman (unless the Company was unable to find an independent director that was willing and able to serve as Chairman). Although the Proposal notes that "this policy should be implemented so as not to violate any contractual obligations in effect when this resolution is adopted," a shareholder would not expect this language to delay the implementation of the policy as the Company's Chief Executive Officer (the "CEO"), who currently serves as the Chairman of the Board, does not serve as the Chairman under an employment contract or any other agreement, but instead serves at the will of the Board of Directors. While the Proposal indicates that the policy adopted by the Board should require an independent Chairman "whenever possible," this reference does not address the timing of the implementation of the policy. Rather, the addition of "whenever possible" is presumably in recognition of the guidance in Staff Legal Bulletin 14C that a shareholder proposal drafted in a manner that would require a director to maintain his or her independence at all times would be excludable under Rule 14a-8(i)(6), because it would not provide a board of directors with an opportunity or mechanism to cure a violation of the standard requested in the proposal. The addition of "whenever possible" is recognized under SLB 14C as necessary to permit the company to cure a director's loss of independence. Staff Legal Bulletin No. 14C (CF), Section

C.2 (June 28, 2005). Therefore, shareholders would expect the policy to be implemented and a new independent Chairman selected upon adoption of the Proposal by the Board.

However, the supporting statement states that in order “[t]o foster flexibility, this proposal gives the option of being phased in and implemented when our next CEO is chosen.” This “flexibility” is not consistent with the language of the Proposal. As a result of this inconsistency, the Proposal is subject to at least two different interpretations, either (1) the policy would go into effect immediately, which would require the current Chairman to be replaced as soon as the policy is implemented (assuming there is an independent director that is willing and able to serve), or (2) the policy would go into effect at some point in the indefinite future when the next CEO is appointed. As a result of the multiple possible interpretations of the Proposal and supporting statement, neither the shareholders voting on the Proposal nor the Board of Directors seeking to implement the Proposal would be able to determine with certainty what actions the Company would be required to take in order to comply with the Proposal.

The Proposal suffers from problems similar to the proposal in *SunTrust Banks* in that it fails to specify any timing conditions or limitations for the reforms it seeks. The language of the *SunTrust Banks* proposal did not appear to impose any limitations on the duration of the reforms. However, the proponent later indicated in its response letter that it did intend there to be certain time limitations. As a result of this ambiguity, the Staff concurred with the exclusion of the proposal as vague and indefinite under Rule 14a-8(i)(3). A similar ambiguity exists here. The Proposal does not allow for the delayed implementation of the policy being proposed, unless it would “violate any contractual obligations.” As noted above, the CEO is not under an employment contract so there is no impediment to implementing the policy as soon as it is approved by the shareholders. However, the supporting statement notes that the policy is “flexible” and that it could be implemented when the next CEO is chosen. Therefore, the Proposal is vague and indefinite because it is unclear whether there are timing conditions to the implementation of the policy.

Consistent with the authorities cited herein, the Company believes that the Proposal may properly be omitted from its proxy materials under 14a-8(i)(3) because it is so vague and indefinite that shareholders would not know what they are voting on, and if adopted, the Company would be unable to determine when it is required to implement the Proposal. See Staff Legal Bulletin No. 14B; see also *International Business Machines Corp.* (Feb. 2, 2005); *Boeing Corp.* (Feb. 10, 2004); *Capital One Financial Corp.* (Feb. 7, 2003); *Faqua Industries, Inc.* (Mar. 12, 1991).

## **CONCLUSION**

For the reasons set forth above, we believe that the Proposal may be excluded from the Company’s 2012 Proxy Materials. We respectfully request confirmation that the Staff will not recommend any enforcement action if the Proposal is excluded. If the Staff does not concur with this position, we would appreciate an opportunity to confer with the Staff concerning these matters before the Staff issues its Rule 14a-8 response.

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel

7

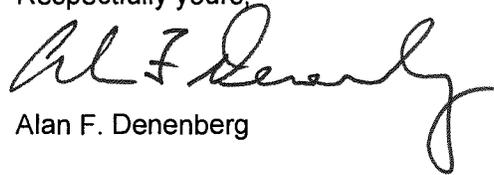
January 11, 2012

If you have any questions or would like any additional information regarding the foregoing, please do not hesitate to call me at (650) 752-2004.

January 11, 2012

Thank you for your attention to this matter.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Alan F. Denenberg". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Alan F. Denenberg

Enclosures

cc: Kay Rustand, Vice President, General Counsel  
and Corporate Secretary  
John Chevedden (via email and Federal Express)

**EXHIBIT A**

*(attached)*

JOHN CHEVEDDEN

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

Mr. David H. Hannah  
Chairman of the Board  
Reliance Steel & Aluminum Co. (RS)  
350 S Grand Ave Ste 5100  
Los Angeles CA 90071

Dear Mr. Hannah,

I purchased stock and hold stock in our company because I believed our company has unrealized potential. I believe some of this unrealized potential can be unlocked by making our corporate governance more competitive. And this will be virtually cost-free and not require lay-offs.

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company. This proposal is submitted for the next annual shareholder meeting. Rule 14a-8 requirements will be met including the continuous ownership of the required stock value until after the date of the respective shareholder meeting and presentation of the proposal at the annual meeting. This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

In the interest of company cost savings and improving the efficiency of the rule 14a-8 process please communicate via email to FISMA & OMB Memorandum M-07-16\*\*\*

Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of this proposal promptly by email to FISMA & OMB Memorandum M-07-16\*\*\*

Sincerely,

  
John Chevedden

December 1, 2011  
Date

cc: Kay Rustand <KRustand@rsac.com>  
Corporate Secretary  
PH: 213-576-2467  
PH: 213 687-7700  
FX: 213 687-8792

**3\* – Independent Board Chairman**

RESOLVED: Shareholders request that our board of directors adopt a policy that, whenever possible, the chairman of our board of directors shall be an independent director (by the standard of the New York Stock Exchange), who has not previously served as an executive officer of our Company. This policy should be implemented so as not to violate any contractual obligations in effect when this resolution is adopted. The policy should also specify how to select a new independent chairman if a current chairman ceases to be independent between annual shareholder meetings.

When a CEO serves as our board chairman, this arrangement can hinder our board's ability to monitor our CEO's performance. Many companies already have an independent Chairman. An independent Chairman is the prevailing practice in the United Kingdom and many international markets. This proposal topic won 50%-plus support at four major U.S. companies in 2011. James McRitchie and Kenneth Steiner have sponsored proposals on this topic which received significant votes.

To foster flexibility, this proposal gives the option of being phased in and implemented when our next CEO is chosen.

The merit of this Independent Board Chairman proposal should also be considered in the context of the opportunity for additional improvement in our company's 2011 reported corporate governance in order to more fully realize our company's potential:

The Corporate Library, an independent investment research firm, said there were ongoing concerns regarding our board and executive pay – only 45% of CEO pay was incentive based. Annual cash incentives for executives were based on a single performance metric and there was a lack of long-term incentives tied to actual long-term performance. The cash bonus plan was based on annual return on beginning shareholders' equity.

A mix of performance metrics is more appropriate, not just to prevent executives from being tempted to game results, but to ensure that they do not take actions to achieve one end that might ultimately damage another. In addition, long-term incentive pay consisted of time-based equity pay in the form of market-priced stock options and restricted stock awards. Equity pay given as a long-term incentive should include performance-vesting features.

Four directors had 14 to 34-years of long-tenure, including CEO David Hannah, President Gregg Mollins, Lead Director Douglas Hayes and Leslie Waite. Hayes and Waite received 27% in negative votes (2009) and still held 4-seats on our Audit and executive pay committees in 2011. Long-tenured directors can form relationships that may compromise their independence and thus hinder their ability to provide effective oversight.

Our board was the only significant directorship for 67% of our directors. This could indicate a significant lack of current transferable director experience for the vast majority of our directors.

An independent Chairman policy can improve investor confidence in our company and strengthen the integrity of our Board. Please encourage our board to respond positively to this proposal for an Independent Board Chairman – Yes on 3.\*

Notes:

John Chevedden,  
proposal.

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

sponsored this

Please note that the title of the proposal is part of the proposal.

\*Number to be assigned by the company.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

***We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.***

See also: Sun Microsystems, Inc. (July 21, 2005).

Stock will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email.

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

# RAM TRUST SERVICES

Post-it® Fax Note	7671	Date	12-2-11	# of pages	▶
To	Key Rastand	From	John Chevedden		
Co./Dept		Co.			
Phone #		Phone	***FISMA & OMB Memorandum M-07-16***		
Fax #	213-687-8792	Fax #			

December 2, 2011

John Chevedden

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

To Whom It May Concern,

Ram Trust Services is a Maine chartered non-depository trust company. Through us, Mr. John Chevedden has continuously held no less than 200 shares of Reliance Steel & Aluminum Co. (RS common stock – CUSIP:759509102) since December 2, 2008; 275 shares of Newell Rubbermaid Inc. (NWL common stock– CUSIP:651229106) since November 30, 2009; and 150 shares of Danaher Corporation (DHR common stock – CUSIP:235851102) since at November 20, 2008. We in turn hold those shares through The Northern Trust Company in an account under the name Ram Trust Services.

Sincerely,



Cynthia O'Rourke  
Sr. Portfolio Manager

# RELIANCE STEEL & ALUMINUM CO.

---

Direct dial: (213) 576-2467  
E-mail: krustand@rsac.com

December 14, 2011

**VIA ELECTRONIC MAIL** FISMA & OMB Memorandum M-07-16\*\*\*  
**& FACSIMILE** FISMA & OMB Memorandum M-07-16\*\*\*

Mr. John Chevedden

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

Re: Rule 14a-8 Proposal

Dear Mr. Chevedden:

We have received your letter dated December 1, 2011 and the enclosed proposal to adopt a policy for Reliance Steel & Aluminum Co. (the "Company") to have an independent chairman. The Company's stock records do not reflect that you are currently the registered holder on the Company's books and records of any shares of the Company's common stock and you have not provided the required proof of "record" ownership. Rule 14a-8(b) requires that a proponent of a proposal must prove eligibility as a shareholder of the Company by submitting either:

- a written statement from the record holder of the securities verifying that at the time the proponent submitted the proposal, the proponent had continuously held at least \$2,000 in market value or 1% of the Company's outstanding shares of common stock for at least one year; or
- a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting the proponent's ownership of at least the required number of shares as of or before the date on which the one year eligibility period began and the proponent's written statement that he or she continuously held the required number of shares for the one year period as of the date of the statement.

Enclosed is a copy of Rule 14a-8, which applies to shareholder proposals submitted for inclusion in proxy statements, for your reference.

Also enclosed is a copy of a recent Staff Legal Bulletin from the Division of Corporation Finance of the Securities and Exchange Commission related to shareholder proposals, including information regarding brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying proof of ownership. Staff legal Bulletin 14F indicates that only DTC participants will be viewed as "record" holders of securities that are deposited at DTC. Ram Trust Services is not a



RELIANCE STEEL & ALUMINUM CO.

Page 2  
Mr. John Chevedden

December 14, 2011

DTC participant. If a shareholder's bank or broker (i.e. Ram) is not on DTC's participant list, the shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank (i.e. Ram) confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

Please provide the appropriate verification within 14 calendar days after your receipt of this letter. In addition, please send any future correspondence related to this matter to me at my mailing address or email provided above.

Sincerely yours,



Kay Rustand  
Vice President, General Counsel  
and Corporate Secretary

KER/  
Enclosure

cc: Mr. David H. Hannah



\*\*\*\*\* Print Completed \*\*\*\*\*

Time of Request: Tuesday, December 13, 2011 19:25:50 EST

Print Number: 1828:323088402

Number of Lines: 337

Number of Pages: 9

Send To: Cohen, Madelene  
RELIANCE STEEL & ALUMINUM CO.  
350 S GRAND AVE STE 5100  
LOS ANGELES, CA 90071-3421

[Home](#) | [Previous Page](#)

## U.S. Securities and Exchange Commission

**Division of Corporation Finance  
Securities and Exchange Commission**

### Shareholder Proposals

#### Staff Legal Bulletin No. 14F (CF)

**Action:** Publication of CF Staff Legal Bulletin

**Date:** October 18, 2011

**Summary:** This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

**Supplementary Information:** The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

**Contacts:** For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at [https://tts.sec.gov/cgi-bin/corp\\_fin\\_interpretive](https://tts.sec.gov/cgi-bin/corp_fin_interpretive).

#### A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8 (b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following

bulletins that are available on the Commission's website: [SLB No. 14](#), [SLB No. 14A](#), [SLB No. 14B](#), [SLB No. 14C](#), [SLB No. 14D](#) and [SLB No. 14E](#).

## **B. The types of brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8**

### **1. Eligibility to submit a proposal under Rule 14a-8**

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.<sup>1</sup>

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.<sup>2</sup> Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.<sup>3</sup>

### **2. The role of the Depository Trust Company**

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.<sup>4</sup> The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.<sup>5</sup>

### **3. Brokers and banks that constitute "record" holders under Rule**

**14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8**

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.<sup>6</sup> Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, *Hain Celestial* has required companies to accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8<sup>7</sup> and in light of the Commission's discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants' positions in a company's securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. As a result, we will no longer follow *Hain Celestial*.

We believe that taking this approach as to who constitutes a "record" holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,<sup>8</sup> under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the "record" holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

*How can a shareholder determine whether his or her broker or bank is a DTC participant?*

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at <http://www.dtcc.com/downloads/membership/directories/dtc/alpha.pdf>.

*What if a shareholder's broker or bank is not on DTC's participant list?*

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder's broker or bank.<sup>9</sup>

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

*How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC participant?*

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

### **C. Common errors shareholders can avoid when submitting proof of ownership to companies**

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added).<sup>10</sup> We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full

one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

"As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."<sup>11</sup>

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

#### **D. The submission of revised proposals**

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

##### **1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company's deadline for receiving proposals. Must the company accept the revisions?**

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8 (c).<sup>12</sup> If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company's deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.<sup>13</sup>

##### **2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?**

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

### **3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?**

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,<sup>14</sup> it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder "fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder's] proposals from its proxy materials for any meeting held in the following two calendar years." With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.<sup>15</sup>

### **E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents**

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company's no-action request.<sup>16</sup>

### **F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents**

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents.

We also post our response and the related correspondence to the Commission's website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

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<sup>1</sup> See Rule 14a-8(b).

<sup>2</sup> For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. See Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

<sup>3</sup> If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

<sup>4</sup> DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC

participant has a pro rata interest. See Proxy Mechanics Concept Release, at Section II.B.2.a.

<sup>5</sup> See Exchange Act Rule 17Ad-8.

<sup>6</sup> See Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] ("Net Capital Rule Release"), at Section II.C.

<sup>7</sup> See *KBR Inc. v. Chevedden*, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); *Apache Corp. v. Chevedden*, 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

<sup>8</sup> *Techne Corp.* (Sept. 20, 1988).

<sup>9</sup> In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. See Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

<sup>10</sup> For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

<sup>11</sup> This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

<sup>12</sup> As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

<sup>13</sup> This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, *additional* proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow *Layne Christensen Co.* (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

<sup>14</sup> See, e.g., Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

<sup>15</sup> Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

<sup>16</sup> Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

<http://www.sec.gov/interps/legal/cfslb14f.htm>

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[Home](#) | [Previous Page](#)

Modified: 10/18/2011

# RAM TRUST SERVICES

December 16, 2011

John Chevedden

Post-it® Fax Note	7671	Date	12-16-11	# of pages	2
To	Key Rustand	From	John Chevedden		
Co./Dept.		Co.			
Phone #		Fax #		***FISMA & OMB Memorandum M-07-16***	
Fax #	213-687-8792	Fax #			

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

**RE: Proposal Submitted to Reliance Steel & Aluminum Co. by John R. Chevedden**

To Whom It May Concern,

We wish to confirm as follows:

John R. Chevedden owns no fewer than 200 shares of Reliance Steel & Aluminum Co., (RS) CUSIP #759509102 and has held them continuously since at least November 1, 2010.

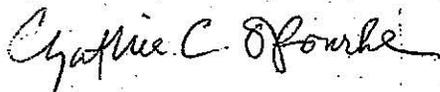
Mr. Chevedden is a client of Ram Trust Services ("RTS"). RTS acts as his custodian for these shares. Northern Trust Company, a direct participant in the Depository Trust Company, in turn acts as a master custodian for RTS. Northern Trust is a member of the Depository Trust Company whose nominee name is Cede & Co.

Mr. Chevedden individually meets the requirements set forth in rule 14a-8(b)(1). To repeat, these shares are held by Northern Trust as master custodian for RTS. All of the shares have been held continuously since at least November 1, 2010, and Mr. Chevedden intends to continue to hold such shares through the date of the Reliance Steel & Aluminum Co. 2012 annual meeting.

I enclose a copy of Northern Trust's letter dated December 16, 2011 as proof of ownership in our account for the requisite time period.

Please contact me if I can be of further assistance, or if you should require additional documentation related to Mr. Chevedden's proposal.

Sincerely,



Cynthia O'Rourke  
Sr. Portfolio Manager

Enclosure.



# Northern Trust

**December 16, 2011**

**John Chevedden**

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

**RE: Reliance Steel & Aluminum Co. (Shareholder Resolution) CUSIP # 759509102**

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*  
**Account Ram Trust Services**

**Dear Mr. Chevedden:**

**The Northern Trust Company is the custodian for Ram Trust Services. As of December 2, 2011, Ram Trust Services held 200 shares of Reliance Steel & Aluminum Co., Company CUSIP #759509102**

**The above account has continuously held at least 200 shares of RS common stock since at least November 1, 2010.**

Sincerely,

**Rhonda Epler-Staggs  
Northern Trust company  
Correspondent Trust Services  
(312) 444-4114**

**CC: John P.M. Higgins, Ram Trust Services**