



Ernst M. Wilson  
Vice President  
Chief of General Counsel  
Corporate Secretary

The Boeing Company  
1000 Washington Blvd., 19th Floor, Everett, WA 98203  
Phone: 425.881.1000

December 19, 2017

**BY EMAIL**

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549  
shareholderproposals@sec.gov

**Re: Shareholder Proposal Submitted to The Boeing Company ("Boeing")**

Dear Sir or Madam:

Boeing received a shareholder proposal (the "Proposal") from John Chevedden that refers to Boeing's Lead Director as a "lap dog."<sup>1</sup> Boeing does not object to including the Proposal in its proxy materials in connection with its 2018 annual meeting of shareholders (the "Proxy Materials"). However, it has long been clear under Rules 14a-8(i)(3) and 14a-9 of the Securities Exchange Act of 1934, as amended (the "Act"), that baseless character attacks have no place in a company's proxy materials. As a result, Boeing intends to exclude the following highlighted portion of the Proposal's supporting statement from the Proxy Materials:

*Boeing shareholders also need enhanced oversight rights because an independent board chairman does not oversee our board of directors. And to add to this deficit our Lead Director, Kenneth Duberstein, had 20-years of long-tenure which can make him a lap dog Lead Director.*

This letter seeks confirmation that the staff of the Division of Corporation Finance (the "Staff") will not recommend an enforcement action for the exclusion of this baseless character attack.

Rule 14a-8(i)(3) permits the exclusion of proposals or portions of supporting statements that violate any proxy rule of the Securities and Exchange Commission (the "Commission"), including Rule 14a-9, which prohibits materially false or misleading statements in proxy materials. Among the types of statements that Rule 14a-9 identifies as potentially false or misleading are those that "directly or indirectly impugn[] character, integrity or personal reputation . . . without factual foundation." Relying on this rule, the Staff has consistently permitted the exclusion of statements suggesting or implying that directors or members of management were not faithfully exercising their fiduciary obligations or were otherwise disregarding the interests of shareholders. For example, in *Piper Jaffray Companies* (Feb. 24, 2006), the Staff concurred in the exclusion of an accusation that members of management had "disregard for shareholders' interests." See also *Phoenix Gold Int'l, Inc.* (Nov. 11, 2000) (excluding statement that implied that directors are not independent); *CCBT Bancorp, Inc.* (Apr. 20, 1999) (excluding statement that board violated their fiduciary duty); *Broadway Fin. Corp.* (Mar. 6, 1991) (excluding statement that suggested that

<sup>1</sup> Copies of the Proposal and all related correspondence are attached as Exhibit A.



"legitimate questions [had arisen as to]... possible breach of fiduciary obligations" by management); *Swiss Helvetia Fund, Inc.* (Mar. 6, 2001) (excluding entire proposal that asked shareholders to "recommend that the directors not try to violate their fiduciary duties," on the basis that such a phrase "implies that the directors have violated, or may choose to violate, their fiduciary duty").

Like the proposals cited above, the "lap dog" accusation in the Proposal's supporting statement impugns the character, integrity, and/or personal reputation of a director or member of management without factual foundation. By suggesting that Mr. Duberstein is a "lap dog" Lead Director, it implies, *with no factual basis whatsoever*, that he lacks independence and reflexively follows the dictates of others.<sup>2</sup> Those are precisely the types of baseless accusations—*i.e.*, impugning director independence and implying that directors violated their fiduciary duties—permitted to be excluded from the proposals cited above. Mr. Duberstein has a distinguished record of performance as a Boeing director, the chairman of a preeminent strategic consulting firm, and former White House Chief of Staff. Furthermore, the duties ably discharged by Mr. Duberstein in his capacity as Lead Director, which duties are set forth in our prior proxy statements, require judgment, integrity, and—perhaps above all—*independence*. Mr. Chevedden does not even attempt to provide a basis for his unfounded attack. For these reasons, the use of the phrase "lap dog" here is particularly misleading and, furthermore, the relevant phrase is impermissible under Rule 14a-9 and excludable under Rule 14a-8(i)(3).

Based on the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company omits the phrase "which can make him a lap dog Lead Director" from the Proposal's supporting statement. In accordance with Rule 14a-8(j) of the Act and Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), we are concurrently sending a copy of this letter and its attachments both to Mr. Chevedden as notice of Boeing's intent to omit the Proposal from the Proxy Materials and to the Staff at [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). If Mr. Chevedden submits correspondence to the Commission or the Staff in connection with the Proposal, we request that copies of such correspondence be sent concurrently to the undersigned, as required pursuant to Rule 14a-8(k) and Section E of SLB 14D. The Company intends to file the definitive Proxy Materials with the Commission on or about March 16, 2018. Meanwhile, should you have any questions with respect to any aspect of this matter, or require any additional information, please do not hesitate to contact me at (312) 544-2387 or [CSO@boeing.com](mailto:CSO@boeing.com).

Very truly yours,

Grant M. Dixon  
Vice President, Deputy General Counsel,  
and Corporate Secretary

Enclosures

cc: John Chevedden

<sup>2</sup> Merriam-Webster's Dictionary defines "lap dog" as "servile dependent or follower." See <https://www.merriamwebster.com/dictionary/lapdog>.

**Exhibit A**

**The Proposal and Related Correspondence**

JOHN CHEVEDDEN

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Mr. Gregory Vogelsperger  
Corporate Secretary  
The Boeing Company (BA)  
100 N. Riverside  
Chicago IL 60606  
PH: 312 544-2000  
FX: 312-544-2829

REVISED 17 NOV 2017

Dear Mr. Vogelsperger,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.


This Rule 14a-8 proposal is intended as a low-cost method to improve company performance - especially compared to the substantial capitalization of our company.

This proposal is 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.

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 by email to

Sincerely,

  
John Chevedden

  
Date

cc: Stephanie Hernandez <stephanie.l.hernandez@boeing.com>  
Michael F. Lohr <Michael.F.Lohr@boeing.com>  
Elizabeth C. Towle <elizabeth.c.towle@boeing.com>  
Dana Krueger <Dana.Krueger2@boeing.com>  
Michael F. Lohr <CSO@boeing.com>

[This line and any line above it is not for publication.]

**Proposal [4] – Special Shareowner Meeting Improvement**

Resolved, Shareowners ask our board to take the steps necessary (unilaterally if possible) to amend our bylaws and each appropriate governing document to give holders in the aggregate of 10% of our outstanding common stock the power to call a special shareowner meeting. This proposal does not impact our board's current power to call a special meeting.

Scores of Fortune 500 companies allow 10% of shares to call a special meeting. Special meetings allow shareowners to vote on important matters, such as electing new directors that can arise between annual meetings.

Adoption of this proposal can give shareholders greater standing to engage Boeing management in regard to quality of our directors and the structure of our Board after the 2018 annual meeting. More than 100 Fortune 500 companies provide for shareholders to call a special meeting and to act by written consent. This proposal is more important to Boeing shareholders because Boeing shareholders have no right to act by written consent.

Boeing shareholders also need enhanced oversight rights because an independent board chairman does not oversee our board of directors. And to add to this deficit our Lead Director, Kenneth Duberstein, had 20-years of long-tenure which can make him a lap dog Lead Director. Long-tenure can detract from the independence of a director no matter how well qualified – and some shareholders may think that the job description of long-time lobbyist on Mr. Duberstein's resume is not an asset even in a director with no additional duties. Independence is a highly valuable attribute in a director.

And at the other end of the director tenure spectrum – Randall Stephenson, with one-year tenure, managed to get our highest negative vote – 5-times higher than some other Boeing directors. This is not a good sign for our current Board nomination and refreshment process.

Meanwhile our board grew to a potential unwieldy size of 14 directors. Plus we had no right to vote on increasing the size of our board. And an unwieldy board can lead to CEO domination.

Any claim that a shareholder right to call a special meeting can be costly – may be largely moot. When shareholders have a good reason to call a special meeting – our board should be able to take positive responding action to make a special meeting unnecessary.

Please vote to improve management accountability to shareholders:

**Special Shareowner Meeting Improvement – Proposal [4]**

[The line above is for publication.]

John Chevalden,  
proposal.

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sponsors this

**Notes:**

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(1)(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).

The stock supporting this proposal 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

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**From:** \*\*\*  
**To:** [Vonnegender, Gregory C](#)  
**Cc:** [Hernandez, Stephanie L](#); [Lohr, Michael F](#); [Tahja, Elizabeth C](#); [Kusner, Dawn](#); [GRF CSO](#)  
**Subject:** Rule 14a-8 Proposal (BA) \*\*  
**Date:** Friday, November 17, 2017 2:38:12 PM  
**Attachments:** [SCE17112017\\_11.pdf](#)

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Mr. Vogelsperger,

Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the large market capitalization of the company.

Sincerely,

John Chevedden

Personal Investing

P.O. Box 770001  
Cincinnati, OH 45277-0045



October 26, 2017

John R. Chevedden  
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To Whom It May Concern:

This letter is provided at the request of Mr. John R. Chevedden, a customer of Fidelity Investments.

Please accept this letter as confirmation that as of the date of this letter, Mr. Chevedden has continuously owned no fewer than the share quantity listed in the following table in each of the following securities, since October 1, 2016:

Security name	CUSIP	Trading symbol	Share quantity
Anthem, Inc.	036752103	ANTM	50
Boeing Company	097023105	BA	100
Crown Holdings, Inc.	228368106	CCK	100
Huntsman Corporation	447011107	HUN	100
Sempra Energy	816851109	SRE	40

The securities referenced in the preceding table are registered in the name of National Financial Services LLC, a DTC participant (DTC number: 0226) and Fidelity Investments subsidiary.

I hope you find this information helpful. If you have any questions regarding this issue, please feel free to contact me by calling 800-397-9945 between the hours of 8:30 a.m. and 5:00 p.m. Central Time (Monday through Friday) and entering my extension 15838 when prompted.

Sincerely,

George Stasinopoulos  
Personal Investing Operations

Our File: W390447-26OCT17

Fidelity Brokerage Services LLC, Member NYSE, SIPC



**From:** \*\*\*  
**To:** [Vogelsperger, Gregory C](#)  
**Cc:** [Hernandez, Stephanie L](#); [Lohr, Michael F](#); [Towler, Elizabeth C](#); [Kumar, Dana](#); [GFP CSO](#)  
**Subject:** Rule 14a-8 Proposal (BA) bib  
**Date:** Thursday, October 26, 2017 4:16:48 PM  
**Attachments:** [OCE26102017\\_7.pdf](#)

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Mr. Vogelsperger,  
Please see the attached broker letter.  
Sincerely,  
John Chevedden