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

DIVISION OF
CORPORATION FINANCE

June 5, 2019

Richard Schweppe
CorVel Corporation
richard_schweppe@corvel.com

Re: CorVel Corporation
Incoming letter dated April 10, 2019

Dear Mr. Schweppe:

This letter is in response to your correspondence dated April 10, 2019 concerning the shareholder proposal (the "Proposal") submitted to CorVel Corporation (the "Company") by Walden Asset Management (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponent's behalf dated May 8, 2019. 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,

M. Hughes Bates
Special Counsel

Enclosure

cc: Sanford Lewis
sanfordlewis@strategiccounsel.net

June 5, 2019

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

Re: CorVel Corporation
Incoming letter dated April 10, 2019

The Proposal requests that the Company issue a public report detailing the potential risks associated with omitting "sexual orientation" and "gender identity" from its written equal employment opportunity policy.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(3). We are unable to conclude that you have demonstrated objectively that the Proposal is materially false or misleading. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(3).

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). In our view, the Proposal transcends ordinary business matters. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it does not appear that the Company's public disclosures compare favorably with the guidelines of the Proposal, which requests a report on the potential risks related to the Company's equal employment opportunity policy. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Kasey L. Robinson
Special Counsel

**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 proposal 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 and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate 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 adversarial procedure.

It is important to note that the staff'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 company's management omit the proposal from the company's proxy materials.

May 8, 2019

Via electronic mail to shareholderproposals@sec.gov

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

Re: Shareholder Proposal to CorVel Corporation Regarding request for a Report on potential risks associated with omitting Sexual Orientation and Gender Identity from its written equal employment opportunity policy

Dear Ladies and Gentlemen:

Walden Asset Management (the "Proponent" or "Walden") is beneficial owner of common stock of CorVel Corporation (the "Company" or "CorVel") and has submitted a shareholder proposal (the "Proposal") to the Company. The purpose of this letter is to respond to a letter dated April 10, 2019 (the "Company Letter") sent to the staff of the Division of Corporation finance (the "Staff") of the U.S. Securities and Exchange Commission ("SEC") by Richard Schweppe, Director of Finance and Secretary of CorVel Corporation. In that letter, the Company contends that the Proposal may be excluded from the Company's 2019 proxy statement by virtue of rule of Rule 14a-8(i)(10), Rule 14a-8(i)(7), and Rule 14a-8(i)(3) and Rule 14a-9.

Based upon the following, as well as the relevant rules, it is our opinion that the Proposal must be included in the Company's 2019 proxy materials and that it is not excludable by virtue of Rule 14a-8(i)(10), Rule 14a-8(i)(7), and Rule 14a-8(i)(3) and Rule 14a-9. A copy of this letter is being emailed concurrently to Richard Schweppe at Richard_Schweppe@corvel.com. We ask that the Staff provide its response to Sanford Lewis, sanfordlewis@strategiccounsel.net and Carly Greenberg at cgreenberg@bostontrust.com.

## THE PROPOSAL

The resolved clause of the Proposal states:

RESOLVED
Shareholders request that CorVel Corporation ("Corvel") issue a public report detailing the potential risks associated with omitting "sexual orientation" and "gender identity" from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omitting proprietary information.

A copy of the full Proposal is attached to this letter as Exhibit A.

## SUMMARY

The Proposal requests that CorVel Corporation ("CorVel") issue a public report detailing the potential risks associated with omitting "sexual orientation" and "gender identity" from its written equal employment opportunity (EEO) policy.

The Company has requested that that the Proposal be excluded from the Company's 2019 proxy statement by virtue of rule of Rule 14a-8(i)(10), Rule 14a-8(i)(7), and Rule 14a-8(i)(3) and Rule 14a-9.

The Proposal is not excludable as substantially implemented under Rule 14a-8(i)(10) as the Company has neither responded to the guidelines nor the essential purpose of the Proposal. It has not issued a report, or equivalent disclosures, detailing the potential risks associated with omitting explicit mention of "sexual orientation" and "gender identity" from its written EEO policy.

The Proposal is not excludable under Rule 14a-8(i)(7). The subject matter of the Proposal is exclusively focused on discrimination against categories of employees, which is a significant policy issue with a clear nexus to the Company. The fact that the Proposal includes discussion of risk to the Company and the business case for addressing those risks does not render the Proposal excludable.

The Proposal is not excludable under Rule 14a-8(i)(3) and 14a-9. The Company claims that the Proposal is misleading because it asserts or implies that the Company's EEO Policy permits discrimination based on "sexual orientation" and "gender identity." However, the Proposal is clearly worded in its focus on the *risks associated with lack of specific inclusion of the categories in the EEO policy.* The Proposal does not make a legal interpretation or assertion as to whether the current policy, as interpreted in the courts, may or may not permit sexual orientation or gender identity discrimination.

Moreover, the Company's assertions regarding interpretations of "sex" in Title VII as protections for "sexual orientation" and "gender identity" are not based on settled law. In fact, the US Justice Department is taking the position that the term "sex" does not apply to "gender identity" in a court case in which the US Supreme Court has granted a writ of certiorari, *R.G. & G.R. Harris Funeral Homes, Inc., v. Equal Employment Opportunity Commission, et al.* The brief by the US Justice Department notes that appellate courts are divided as to whether "gender identity" is included within the Title VII definition of "sex."

## BACKGROUND

CorVel Corporation's Equal Employment Opportunity (EEO) policy states:

> In order to provide equal employment and advancement opportunities to all individuals, CorVel strives to make employment decisions based on merit, qualifications, and abilities. Employment practices will not be influenced or affected by an applicant's or employee's race, color, creed, religion, age, sex, gender, genetic information, national origin, ancestry, citizenship status, physical or mental disability, military service, veteran status or any other classification protected by applicable federal, state, and local laws and ordinances.

Employees or potential employees considering whether discrimination may be tolerated against them based on their sexual orientation or gender identity will note that the EEO policy does not expressly mention "sexual orientation" or "gender identity." This raises both cultural and legal concerns.

First, there is the question of whether they will be protected and included within an inclusive *culture* of the Company. The fact that the firm's policy has not expressly named these categories may signal whether or not lesbian, gay, bisexual and transgender ("LGBT") individuals are truly welcome in the Company.

An employee with a nonconforming "gender identity" cannot be sure whether the term "gender" encompasses "gender identity." The two terms can imply opposite assumptions. For instance, Planned Parenthood on its website describes the difference between the terms "sex," "gender" and "gender identity":

> What are the differences between sex, gender, and gender identity?
> It's common for people to confuse sex, gender, and gender identity. But they're actually all different things.
>
> Sex is a label — male or female — that you're assigned by a doctor at birth based on the genitals you're born with and the chromosomes you have. It goes on your birth certificate.
>
> Gender is much more complex: It's a social and legal status, and set of expectations from society, about behaviors, characteristics, and thoughts. Each culture has standards about the way that people should behave based on their gender. This is also generally male or female. But instead of being about body parts, it's more about how you're expected to act, because of your sex.
>
> Gender identity is how you feel inside and how you express your gender through

> clothing, behavior, and personal appearance. It's a feeling that begins very early in life.[1]

Secondly, there are questions of *legal* protection. As laws are unclear as to whether or not "sexual orientation" and "gender identity" are included in the definition of "sex."

Twenty-six states are in a federal circuit that have a ruling that "explicitly interprets existing federal prohibition on sex discrimination (under Title VII [of the Civil Rights Act of 1964]) to include discrimination based on sexual orientation and/or gender identity," according to MAP, an LGBT advocacy think tank. Meanwhile, there are also 26 states in which there are "no explicit prohibitions for discrimination based on sexual orientation or gender identity in state law."[2]

While the federal Equal Employment Opportunity Commission has a policy under which "sexual orientation" and "gender identity" are included under the definition of "sex," the US Justice Department is taking the opposite position in a case pending before the US Supreme Court.

The Justice Department asserts in its brief to the Supreme Court on behalf of the federal government[3] that Title VII does not apply to discrimination against an individual based on his or her gender identity. In so arguing, the Justice Department brief notes that where Congress has specifically prohibited discrimination in other statutes and explicitly referenced "sexual orientation, gender identity," (Justice Department brief page 17)—such as in prohibiting acts or attempts to cause bodily harm, or prohibiting discrimination in federally funded programs, etc.—the omission of the terms under Title VII, despite opportunities to amend it, implies that Congress did not intend to include such categories as protected from discrimination in employment.

In the US Justice Department brief[4] the administration has taken the position that issues of gender identity are not included in the definition of "sex":

> When Title VII was enacted in 1964, "sex" meant biological sex; it "refer[red] to [the] physiological distinction" between "male and female." Webster's New International Dictionary 2296 (2d ed. 1958); see ibid. ("One of the two divisions of organisms formed on the distinction of male and female; males or females collectively"; "The sum of the peculiarities of structure and function that distinguish a male from a female organism; the character of being male or female, or of pertaining to the distinctive function of the male or female in reproduction"; "SEX refers to physiological distinctions; GENDER, to distinctions in grammar."); see also, e.g., Hively, 853 F.3d at 362-363 (Sykes, J.,

[1] https://www.plannedparenthood.org/learn/sexual-orientation-gender/gender-gender-identity
[2] http://www.lgbtmap.org/equality-maps/non_discrimination_laws
[3] R.G. & G.R. Harris Funeral Homes, Inc., Petitioner *V.* Equal Employment Opportunity Commission, Et Al. *On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Sixth Circuit*, Brief For The Federal Respondent In Opposition.

[4] http://src.bna.com/CKM

> dissenting) (collecting dictionaries); Zarda, 883 F.3d at 145 (Lynch, J., dissenting).
>
> Title VII thus does not apply to discrimination against an individual based on his or her gender identity. Notably, Congress has specifically prohibited discrimination based on "gender identity" in other statutes, as a separate protected category in addition to "sex" or "gender." See, e.g., 18 U.S.C. 249(a)(2)(A) and (c)(4) (prohibiting acts or attempts to cause bodily injury to any person "because of the actual or perceived religion, national origin, gender, sexual orientation, gender identity, or disability of any person," and defining "gender identity" as "actual or perceived gender-related characteristics" (emphasis added)); 34 U.S.C. 12291(b)(13)(A) (Supp. V 2017) (prohibiting discrimination in certain federally funded programs "on the basis of actual or perceived race, color, religion, national origin, sex, gender identity (as defined in paragraph 249(c)(4) of Title 18), sexual orientation, or disability" (emphases added)).

Given this current legal ambiguity as to whether the term "sex" applies to sexual orientation and gender identity, an employee of CorVel would be on legally uncertain grounds as to whether or not their right to employment non-discrimination is legally protected at the Company.

**Code of Ethics and Religious Exemption Raise Additional Concern on Consistency**

The Company's Code of Ethics and EEO Policy are included with this letter as Exhibit B. In contrast to the EEO Policy, the Company's ***code of ethics*** to "directors, officers, and employees" as reviewed on its website on May 3, 2019 states:

> By following these policies, our directors, officers and employees can fulfill our commitments to, among other things: (1) maintaining a safe and healthy work environment; (2) promoting a workplace that is free from unlawful discrimination or harassment based on race, color, creed, religion, age, sex, genetic information, national origin, ancestry, citizenship status, disability, military service, veteran status or any other classification protected by applicable federal, state, and local laws and ordinances.[5]

The lack of inclusion of the word "gender" in the Company's online code of ethics might raise *further* concern that protection against gender identity discrimination is not consistently addressed in Company policies.

The potential conflict on these issues is also made keener for a company like CorVel because the Company's current EEO Policy goes above and beyond legal requirements to discuss their effort to protect and make reasonable accommodations for "sincerely held religious beliefs:"

> Additionally, we respect the sincerely held religious beliefs and practices of all employees and will endeavor to make a reasonable accommodation if those sincerely held religious

[5] https://www.corvel.com/code-of-ethics

> beliefs or practices conflict with an employee's job unless the accommodation would impose an undue hardship on the operation of our business. Any employee who would like to request an accommodation should contact supervisor/manager.

By lacking a non-discrimination policy that makes it clear that CorVel seeks to balance religious freedom with LGBT non-discrimination, the Company further opens itself and shareholders to concerns regarding inclusiveness and discrimination on which the Proponent believes shareholders deserve additional transparency.

## ANALYSIS

### I. The Company has not substantially implemented the Proposal, and therefore the Proposal is not excludable under Rule 14a-8(i)(10).

In order for a Company to meet its burden of proving substantial implementation pursuant to Rule 14a-8(i)(10), the actions in question must compare favorably with the guidelines and essential purpose of the Proposal. The Staff has noted that a determination that a company has substantially implemented a proposal depends upon whether a company's particular policies, practices, and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed *both* the proposal's guidelines and its essential objective. See, e.g., *Exelon Corp.* (Feb. 26, 2010). Thus, when a company can demonstrate that it has already taken actions that meet most of the guidelines of a proposal and meet the proposal's essential purpose, the Staff has concurred that the proposal has been "substantially implemented." In the current instance, the Company has fulfilled *neither* the guidelines nor the essential purpose of the Proposal, and therefore the Proposal cannot be excluded.

The Proposal asks the Company to issue a public report detailing the potential risks associated with omitting "sexual orientation" and "gender identity" from its written equal employment opportunity (EEO) policy. As demonstrated in the background section of this reply letter, these are significant omissions that do not signal protection for employees or potential employees against discrimination, and in favor of inclusion, of LGBT people.

CorVel has not published a report on the potential risks associated with failing to explicitly mention sexual orientation and gender identity in its EEO policy. As such, the Company has not responded to the underlying concerns of the Proposal, or shown how their policies, practices, and procedures compare favorably with the guidelines of the Proposal. Therefore, the Proposal cannot be said to be substantially implemented.

#### *CorVel has not responded to the underlying concerns of the Proposal*

Throughout its no action request, CorVel grossly mischaracterizes the underlying concerns and essential objective of the current Proposal.

CorVel points to the interest of *the Proponent* in seeing the Company update its EEO Policy to include "sexual orientation" and "gender identity." However, the *Proposal* does not seek that change, and cannot be construed as requesting such a change. While the Company Letter accurately notes that *previous* proposals filed by the Proponents had requested that the Company make such a change, the present Proposal is redirected to identifying risks associated with the Company's decision to not explicitly include "sexual orientation and "gender identity" in the Company's EEO policy. [6]

This shift in focus reflects the underlying concern of the current Proposal, which is that in absence of the ***express*** language of an EEO policy that provides the clearest cultural and legal signal to employees at all levels of a company as to whether LGBT people are protected against discrimination, shareholders cannot discern if the Company is protecting shareholder value with respect to avoiding LGBT discrimination and aligning with LGBT inclusion. Especially in the face of the legal ambiguities regarding Title VII (including a pending Supreme Court case, discussed later in this reply letter), the lack of express mention of LGBT people may reasonably be interpreted by some as a cue that these forms of discrimination may be tolerated.

In contrast to the distortion of the Proposal in the Company Letter, the language of the supporting statement of the Proposal is very clear that its focus is not on changing the EEO policy, but rather assessing and disclosing to shareholders the risks associated with its current formulation:

> CorVel does not explicitly prohibit discrimination based on sexual orientation and gender identity or expression in its written EEO policy.

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[6] The Proponent's engagement process with the Company, while less relevant to interpretation of the guidelines and essential purpose of the Proposal, has also focused on these risk concerns. For instance, the Proponents' initial outreach to the Company in 2017 noted:

> "Walden believes a strong equal employment opportunity (EEO) record and a public non-discrimination policy inclusive of sexual orientation and gender identity and expression may enhance long-term shareholder value by building a company's competitive position and reputation as a fair employer; attracting a broader pool of well-qualified candidates; boosting employee morale, productivity, and retention; and reducing risks and potential costs associated with discrimination, harassment and litigation. Recent studies have found that companies with LGBT (lesbian, gay, bisexual, and transgender)-inclusive workplaces are associated with better long-term financial outcomes. For example, a 2016 Credit Suisse report found that 270 companies that supported LGBT employees outperformed the market by 3% per annum."

Again in the 2019 filing letter the Proponent noted:

> "Representing clients who hold more than 112,480 shares of CorVel Corporation, Boston Trust and Walden Asset Management believe that corporations with non-discrimination policies that reference sexual orientation and gender identity or expression have a competitive advantage in recruiting and retaining employees from the widest talent pool. Furthermore, we believe that the absence of such a policy exposes our company to risks that could harm shareholder value."

> CorVel's lack of a corporate-wide best practice EEO policy sends mixed signals to company employees and prospective employees and calls into question the extent to which LGBT (lesbian, gay, bisexual, or transgender) individuals are protected due to inconsistent state policies, the absence of a federal law, and conflicting perspectives of federal entities.

The fact that the Company operates in 43 states exposes it to a patchwork of state laws regarding LGBT discrimination, which could yield different discrimination stances between the Company's own operations. In particular, the supporting statement further notes:

> ….discrimination against LGBT people may be permissible in 21 states that have adopted Religious Freedom laws.

The supporting statement concludes with a substantial focus on the risk assessment element of the Proposal:

> Presently shareholders are unable to evaluate how CorVel prevents discrimination towards LGBT employees, mitigates employee concerns of potential discrimination, and ensures a respectful and supportive work atmosphere that bolsters employee performance and improves patient care.
>
> ***
>
> We recommend that the report evaluate risks including, but not limited to, negative effects on employee hiring and retention, and litigation risks from conflicting state and company anti-discrimination policies.

***The Cato Corporation no action decision is inapplicable.***

In the Company Letter, CorVel focuses almost exclusively on legal interpretation of its EEO policy. Referencing *Cato Corporation* (March 29, 2018), the Company Letter states that "Because the Company's EEO Policy is substantially the same as The CATO Corporation's ["Cato"] EEO policy, the Company has addressed the Proposal's underlying concerns and essential objective."

However, the Cato decision is distinct from and ultimately inapplicable to the present no action request, as:

- Cato entailed a different proposal request;
- Cato involved a more extensive company demonstration of implementation;
- Cato involved a different legal context given more recent developments.

First, the ask was for Cato to "amend its written equal employment opportunity (EEO) policy to explicitly prohibit discrimination based on sexual orientation and gender identity or expression." The present Proposal does not involve that request, but instead focuses on disclosing risks

associated with failing to include those terms in the EEO policy. These are very distinct requests; even if the Company's legal interpretation were correct, as documented in the background section above, the Proponent believes that there are still substantial implications for the Company's culture of inclusiveness in omitting those terms.

Second, Cato's 2018 No-Action request made additional assertions regarding meeting the guidelines and essential purpose, including asserting that "The Company has not received complaints or other indications from its associates that discrimination on the basis of sexual orientation, gender identity or gender expression is or has been practiced within the Company. Furthermore, the Company continues to receive employment applications from a wide variety of qualified individuals. There is no evidence that the pool of employment candidates has been adversely affected by the Company's existing EEO Policy. Nor has the Company received any indications from its suppliers, customer or other business partners that the Company's employment policies or practices negatively impact or jeopardize its relationship with any of them." In contrast, CorVel has provided no demonstration that the underlying concern of the Proposal has been substantially implemented. Instead, the Company asserts in its discussion of Rules 14a-8(i)(3) and 14a-9 that including the terms gender identity and sexual orientation in its policy might itself create risks for the Company.

Third, the legal context for interpreting the wording of an EEO policy has changed significantly since the Cato decision, and we do not believe it would necessarily be decided consistently if decided today. That decision was based in part on the Company's argument that the issue of whether "sex" includes gender identity and sexual orientation was settled law since the federal EEOC had declared that the definition included such terms and that LGBT individuals may bring discrimination claims on the basis of "sex" under Title VII of the Civil Rights Act of 1964. At the time of the Cato decision, the principal contradictory information to the EEOC's policy statement was a memorandum from Jeff Sessions, Atty. Gen., stating that it was his opinion that title VII did not encompass discrimination based on gender identity. At that time, the Department of Justice had not taken a formal position as a party to litigation.

In contrast, the Justice Department has now ***acted*** on this issue, arguing in its brief to the Supreme Court on behalf of the federal government – now as a party to the litigation - that Title VII does not apply to discrimination against an individual based on his or her gender identity. The fact that EEOC may still hold that policy seems far less compelling in arguing that this is settled law today. See additional discussion Background discussion, above.

For all the foregoing reasons described in this Section, the Proponent respectfully requests that the Staff reject the Company's request to exclude the Proposal under Rule 14a-8(i)(10).

**II. <u>The Proposal is not excludable under Rule 14a-8(i)(7) because it exclusively addresses a significant policy issue with a nexus to the Company.</u>**

Numerous prior Staff decisions affirmed that proposals focused on discrimination against recognized classes of people (LGBT, women, minorities) are not excludable because they address a significant policy issue. In *JP Morgan Chase* (Feb. 22, 2006) Staff denied relief under Rule 14a-8(i)(7) with regard to a proposal that JPMorgan Chase amend its written equal employment opportunity policy to explicitly exclude reference to sexual orientation. In *Exxon Mobil Corporation* (March 20, 2012) the Staff rejected a Rule 14a-8(i)(7) objection to a substantially identical proposal requesting amendment of EEO policy to explicitly include sexual orientation and gender identity. The Staff effectively recognized the significant policy issue. The same result occurred in *OGE Energy, Inc.* (February 24, 2004).

Staff decisions that also rejected Rule 14a-8(i)(7) arguments include: In *Wal-Mart Stores, Inc.* (April 3, 2002) the proposal requested that Wal-Mart prepare a report on its equal employment opportunity policies and programs, including a review of specified topics. *In The Proctor & Gamble Company* (August 16, 2016) the proposal requested a report detailing the known and potential risks and costs to the company caused by any enacted or proposed state policies supporting discrimination against LGBT people, and detailing strategies above and beyond litigation or legal compliance that the company may deploy to defend the company's LGBT employees and their families against discrimination and harassment that is encouraged or enabled by the policies.

Although the present Proposal is focused on risks to the Company associated with omission of the terms "gender identity" and "sexual orientation", the present Proposal does not contain language that would cause it to fall within the exceptions to this general policy of the Staff disallowing exclusion of discrimination-focused proposals.

The rights of LGBT people are currently subject to widespread backlash, which sustains their status as a subject that is a significant policy issue for purposes of Rule 14a-8(i)(7). After years of progress on marriage equality, there has been an upsurge in state policies encouraging or allowing discrimination against LGBT people, and federal rulings revoking accommodations for LGBT students and members of the armed forces. A number of state laws proposed or enacted allow discrimination against LGBT people in housing and public and private services on religious grounds. Other high-profile efforts have focused on preventing transgender people from using the bathrooms correlating with their gender identities and limiting them to use of bathroom facilities associated with the sex that appears on their birth certificates. These laws are legitimizing discrimination and encouraging harassment of LGBT people.

**The following are excerpts from articles providing examples of the widespread public debate and controversy:**

Associated Press, "Supreme Court to decide on workplace discrimination against LGBT people", CBS, April 22, 2019, https://www.cbsnews.com/news/supreme-court-to-decide-on-workplace-discrimination-against-lgbt-people/

> "The Supreme Court will decide whether the main federal civil rights law that prohibits employment discrimination applies to LGBT people. The justices said Monday they will hear cases involving people who claim they were fired because of their sexual orientation. Another case involves a funeral home employee who was fired after disclosing that she was transitioning from male to female and dressed as a woman."

Steinmetz, Katie, "Why Federal Laws Don't Explicitly Ban Discrimination Against LGBT Americans", Time, March 21, 2019, http://time.com/5554531/equality-act-lgbt-rights-trump/

> "In the past, such bills have faced opposition based on the notion that being gay is immoral and a choice. And, though public attitudes toward gay people have radically shifted since the first bill of this kind was introduced in the 1970s, transgender rights have recently ascended as an area of controversy between the right and left."

Philipps, Dave, "New Rule for Transgender Troops: Stick to Your Birth Sex, or Leave", The New York Times, March 13, 2019, https://www.nytimes.com/2019/03/13/us/transgender-troops-ban.html

> "The Defense Department, after months of litigation and controversy over the issue, is establishing a new policy for transgender troops: They can enlist and serve, but only if they stick to their biological sex. No transitioning allowed.
>
> "The department issued a memorandum late Tuesday ordering the military to adopt the policy, which will take effect April 12. Under the new rules, troops and recruits can identify as transgender, but must use the uniforms, pronouns, and sleeping and bathroom facilities for their biological sex. They will not be allowed to serve if they have a diagnosis of gender dysphoria, a disorder in which a person's gender identity does not match their physical gender at birth."

Graves, Logan, "Issue at a Glance: LGBTQ Employment Discrimination", Victory Institute, September 13, 2018, https://victoryinstitute.org/issue-at-a-glance-lgbtq-employment-discrimination/

> "Discrimination in the workplace and in hiring practices against LGBTQ people continues to be commonplace in the United States today. A 2017 Harvard opinion survey of LGBTQ Americans found that 90% believed that discrimination against them existed in the United States today. 59% said that where they live, they are less likely to be afforded employment opportunities because they are part of the LGBTQ community. One in five stated that they have had difficulty when applying for positions. Unemployment rates among transgender respondents are three times higher than the general population, according to data from the National Center for Transgender Equality."

Birnbaum, Emily, “States ask Supreme Court to Limit LGBTQ Workplace Protections”, The Hill, August 28, 2018, https://thehill.com/regulation/court-battles/403951-16-states-ask-supreme-court-to-legalize-discrimination-against-lgbtq

> “Sixteen U.S. states, including 13 attorneys general and three GOP governors, are asking the Supreme Court to limit protections for LGBTQ workers.
>
> “The states on Aug. 23 filed an amicus curiae brief asking the Supreme Court to overturn a recent decision by the 6th U.S. Circuit Court of Appeals that held that workplace anti-discrimination laws extend to transgender workers.
>
> “The states, led by Nebraska Attorney General Doug Peterson, are insisting Congress did not intend to protect lesbian, bisexual, gay, transgender and queer individuals when they passed the 1964 Civil Rights Act.
>
> “The brief states the 6th Circuit is incorrectly interpreting Title VII in the Civil Rights Act, which protects against "sex discrimination."

Auten, David and Schneider, John, “How Workplace Equality Index Is Tracking the New Economy”, Forbes, August, 21 2018, https://www.forbes.com/sites/debtfreeguys/2018/08/21/how-workplace-equality-index-is-tracking-the-new-economy/#47d733607059

> “Since Roberts started tracking workplace equality 20 years ago, the number of companies with domestic partner benefits and both sexual orientation and gender identity protections has climbed to over 240. Roberts says” the progress has been phenomenal, but don’t forget that progress is never linear.” Therefore, we must keep pushing to increase the career and economic opportunities of all queer people to be on par with that of our straight peers.”

Kozuch, Elliot, “HRC Report: Startling Data Reveals Half of LGBTQ Employees in the U.S. Remain Closeted at Work”, HRC.org, June 25, 2018, https://www.hrc.org/blog/hrc-report-startling-data-reveals-half-of-lgbtq-employees-in-us-remain-clos

> “The HRC Foundation released the results of a survey of employees across the nation, revealing the persistent daily challenges that have led nearly half of LGBTQ people to remain closeted at their workplaces -- a rate largely unchanged over the past decade. A Workplace Divided: Understanding the Climate for LGBTQ Workers Nationwide, HRC’s third national workplace study over the past decade, shines a light on the often-intangible, nuanced issues in the workplace that keep LGBTQ workers “separate,” leaving many feeling distracted, exhausted or depressed, and believing they have nowhere to turn for help.”

Dishman, Lydia, “A brief (and depressing) history of LGBT workers’ rights”, Fast Company, June 11, 2018, https://www.fastcompany.com/40582182/a-brief-and-depressing-history-of-lgbt-workers-rights

> “However, in the absence of sweeping federal legislation (and several recent legislative measures that aim to curtail rights), LGBT workers are still under threat on the job. In more

> than half of U.S. states, you can be fired for being gay or trans. So many LGBT workers choose to check that part of their identity at the door when they head to the office. Diversity and inclusion initiatives aside, it falls on the companies that rely on their LGBT employees and customers to advocate for their rights in the workplace."

Turner, Cory and Kamentz, Anya, "The Education Department Says It Won't Act On Transgender Student Bathroom Access", National Public Radio, February 12, 2018, https://www.npr.org/sections/ed/2018/02/12/585181704/the-education-department-says-it-wont-act-on-transgender-student-bathroom-access

> "Do transgender boys or girls have the right to use the restroom at school that corresponds with their gender identity? The U.S. Education Department said Monday that it won't hear complaints about or take action on this question.
>
> "Almost one year ago, the department under Education Secretary Betsy DeVos made national headlines by rolling back Obama-era steps on transgender student protections. While the Trump administration rescinded that guidance, the department never made clear how it would handle future discrimination cases filed by transgender students."

Mulvaney, Erin, "Jeff Sessions Memo, Reversing Transgender Protections, Further Inflames Divisions", Law.com, October 7, 2017, https://www.law.com/sites/nationallawjournal/2017/10/05/jeff-sessions-memo-reversing-transgender-protections-further-inflames-divisions/

> "U.S. Attorney General Jeff Sessions is reversing the U.S. Justice Department's stance that transgender employees should be protected in the workplace, a move that clashes with federal appeals court decisions and another government agency's interpretation of civil rights laws."

Green, Emma, "Trump's Battle Over LGBT Discrimination is Just Beginning", The Atlantic, July 28, 2017, https://www.theatlantic.com/politics/archive/2017/07/title-vii/535182/

> "LGBT issues have been all over the news this week. On Wednesday, President Trump announced a ban on transgender Americans serving in the military. That evening, the Department of Justice made another significant move in the fight over LGBT rights, albeit with less flash than a tweet storm: It filed an amicus brief in a major case, *Zarda v. Altitude Express*, arguing that it's not illegal to fire an employee based on his or her sexual orientation under federal law."
>
> "While this case will ultimately be decided by the courts, it's a sign of conflict ahead in the long-brewing battle over LGBT rights and the meaning of sex discrimination. It also shows the limits of executive action in contested areas of law. The Obama administration may have believed gay people should be protected by federal civil-rights statutes, but it may prove challenging to make that interpretation stick now that a new party controls Washington."

Dunlap, Bridgette, "Why North Carolina Law is Still Anti-LGBT and Unconstitutional," Rolling Stone Magazine, March 31, 2017, https://www.rollingstone.com/politics/news/nc-bathroom-bill-repeal-is-still-anti-lgbt-unconstitutional-w474462

> "On Thursday, North Carolina Gov. Cooper signed a bill repealing House Bill 2, the famously anti-LGBT law enacted last year that has subjected the state to widespread condemnation, boycotts and lawsuits. Passed in response to an anti-discrimination ordinance enacted by the city of Charlotte, HB2 barred transgender people from using public restrooms consistent with their gender identities. It also barred municipalities from passing anti-discrimination laws and invalidated those already in place. Thursday, in a rush to meet a deadline from the NCAA, which had announced it would keep championship events out of the state for six years unless HB2 was repealed, the legislature passed HB 142, which eliminates the bathroom ban, but still prohibits municipalities from enacting anti-discrimination measures for three years."

Lovett, Ian, Gershman, Jacob, and Radnofsky, Louise, "Trump Draft Order Would Expand Religious Rights, Could Allow Denial of Service to Gays", The Wall Street Journal, February 3, 2017, https://www.wsj.com/articles/draft-of-executive-order-proposes-expanding-legal-protections-on-religious-grounds-1486071114

Cray, David, "A Year After Marriage Ruling, LGBT Rights Struggles Continue", The Associated Press, June 18, 2016, https://apnews.com/846243d4d6314adb995b9df581eae690

> "Since that ruling last June 26, same-sex marriage has been widely accepted as the law of the land, with only small pockets of defiance. Yet it has not been a year for LGBT-rights activists to bask in triumph, as starkly underscored by the June 12 attack that killed 49 patrons and staff at a gay nightclub in Orlando, Florida."…
>
> "Even before the Orlando attack, LGBT gains were being challenged by many of the social conservatives who had opposed same-sex marriage. They have asserted that religious freedom is threatened by various legal advances for the lesbian, gay, bisexual and transgender community, and they are trying to prevent transgender people from accessing public bathrooms and locker rooms on the basis of their gender identity."…
>
> "LGBT-rights groups are playing both defense and offense, city by city and state by state. They're working to persuade more jurisdictions to broaden nondiscrimination protections, while fending off lawsuits and legislation by their opponents that threaten to weaken such protections."

McPhate, Mike, "Mississippi Law on Serving Gays Proves Divisive", The New York Times, April 14, 2016, https://www.nytimes.com/2016/04/15/us/mississippi-gay-lgbt-discrimination-religion.html

> "But its provisions allowing people with religious objections to deny certain services to gay couples have ignited fierce opposition, with some critics portraying them as a free pass to open-ended discrimination.

> "The Mississippi measure, the latest in a wave of similar legislative efforts across the country, has turned a harsh national spotlight on the state, as gay rights organizations, several major companies and at least five other states have publicly denounced it.
>
> "Gov. Phil Bryant has strongly defended the law, known officially as the Protecting Freedom of Conscience from Government Discrimination Act, by arguing that it was drafted in the "most targeted manner possible."

Peters, Jeremy W., Alvarez, Lizette, "After Orlando, a Political Divide on Gay Rights Still Stands", The New York Times, June 15, 2016, https://www.nytimes.com/2016/06/16/us/after-orlando-a-political-divide-on-gay-rights-still-stands.html

> "In Florida, activists noted that the state was still a place where gay and lesbian people could "get married on a Friday and fired on a Monday" because of inadequate nondiscrimination laws, in the words of Mallory Garner-Wells, the public policy director for Equality Florida."

Skinner, Curtis, "Judge Refuses to Block Mississippi Anti-LGBT Law", Reuters, June 20, 2016, https://www.reuters.com/article/us-mississippi-lgbt/judge-refuses-to-block-mississippi-anti-lgbt-law-idUSKCN0Z62I3

> "Law that permits people to deny wedding services to same-sex couples based on religious objections. U.S. District Judge Carlton Reeves argued in his four-page order that since none of the lawsuit's plaintiffs would be harmed by the law in the immediate future, a preliminary injunction would be inappropriate."

***Because the Proposal addresses a significant policy issue, the fact that it touches on issues of workforce management does not render it excludable.***

Since at least the SEC's 1998 Release it has been clear that employment issues relating to a significant policy issue are not excludable:

> However, proposals relating to such matters [employment] but focusing on sufficiently significant social policy issues (**e.g., significant discrimination matters**) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." 1998 Release. [emphasis added]

The Commission's 1998 release expressly stated that when it comes to employment related proposals, the Staff would look to the underlying subject matter, such that if there were a significant policy issue it would not be excludable. As noted above, the specific examples of discrimination based on sexual orientation and gender identity have been confirmed repeatedly to transcend ordinary business in the Staff decisions.

The Company Letter goes to lengths to try to argue that the Proposal is somehow distinct from

the many proposals where the Staff have previously found that the subject matter of discrimination against LGBT individuals is non-excludable. For instance, the Company Letter tries to distinguish *Wal-Mart Stores, Inc.* (April 3, 2002), requesting the company to issue a report regarding its affirmative action policies found nonexcludable under Rule 14a-8(i)(7) — effectively asserting that employment impacting discrimination against racial minorities is a significant social policy issue, but discrimination against LGBT individuals, which may also affect the company's recruitment and retention of employees, is not. The issues are not distinguishable, and both forms of discrimination are significant policy issues in Staff decisions.

Similarly, in *Procter & Gamble Company* (August 16, 2016), the request for a report regarding the risks and costs caused by state policies supporting discrimination against LGBT individuals was found nonexcludable under Rule 14a-8(i)(7). As in that case, the key issue is how disparate policies on discrimination effect employees and the company — in this instance and in *Procter & Gamble*, risks are being imposed on the company and regarding this issue due to a patchwork of inconsistent policies that affect both the legal rights of employees and the potentially divergent assumptions regarding inclusion between locales of the Company's operations.

***Clear Nexus of the Significant Policy Issue to the Company***

Staff Legal Bulletin 14E states that for a significant policy issue to render a proposal not excludable there must be a nexus to the Company. In this instance, there is a clear nexus because of the disparate state laws governing states where CorVel operates. In its 2018 Form 10-K, CorVel disclosed that it has 84 branch offices in 43 states. Currently, 21 states, the District of Columbia, and more than 225 cities prohibit discrimination in employment based on sexual orientation and gender identity. On the other hand, 21 states have adopted Religious Freedom Laws.

By the time the of the U.S. Supreme Court *Obergefell v. Hodges* (2015) decision, which legalized gay marriage, state Religious Freedom Restoration Acts (RFRA) were being "seen as a reaction to the advance of LGBT rights."[7] According to the Human Rights Watch, "statements made by legislative supporters of the laws, and in some cases the content of the laws themselves, moreover, [made] clear that they aim[ed] to push back against recent gains toward LGBT equality and to dilute the rights of LGBT people to secure protection from invidious discrimination."[8]

Of the 21 states with RFRA laws, only 4 also have state laws that prohibit employment discrimination on the basis of sexual orientation and gender identity. "The failure of most states to enact nondiscrimination protections and the growing number of religious exemption laws

[7] Miller, Brian, "The Age Of RFRA", Forbes, November 16, 2018, https://www.forbes.com/sites/briankmiller/2018/11/16/the-age-of-rfra/#367e736477ba
[8] https://www.hrw.org/report/2018/02/19/all-we-want-equality/religious-exemptions-and-discrimination-against-lgbt-people

leave many LGBT people with little recourse when they encounter discrimination… More insidiously, they give LGBT people reason to expect discrimination before it even occurs, and to take extra precautions or avoid scenarios where they might face hostility out of self-preservation."[9]

Given that there are only 7 states where CorVel does not have operations, it would be impossible for CorVel to avoid this patchwork of state and local laws regarding LGBT Non-Discrimination.

***The various other no action precedents cited by the Company are inapplicable to the present matter***

*Amazon.com* (April 10, 2018) involved a proposal where the subject matter itself —management of food waste — could either be a significant policy issue of reducing environmental impact, or a mundane day-to-day issue of improving the efficiency of its everyday management of waste. The supporting statement's discussion of the business case provided context that led to the staff interpretation that the subject matter itself addressed ordinary business.

In contrast the present Proposal is solely addressed to the significant policy issue. No amount of background information discussing the business case for reducing discrimination could make it less so. Numerous precedents exemplify the understanding of the Staff that making a business case argument in a proposal squarely addressed to a significant policy issue does not trigger a Rule 14a-8(i)(7) exclusion. For instance, in *E.I. du Pont de Nemours and Company* (February 11, 2004) a proposal was found not excludable on the basis of 14a-8(i)(7), where it requested the board "adopt and implement an enforceable company-wide human rights policy based on the International Labor Organization's Declaration on Fundamental Principles and Rights at Work ("ILO Declaration"), including… no discrimination or intimidation in employment. DuPont shall provide equality of opportunity and treatment regardless of race, color, sex, religion, political opinion, age, nationality, social origin or other distinguishing characteristics…" The supporting statement argued the business case:

> Such a policy would ensure that DuPont is not associated with human rights violations in the workplace, and in turn, would protect DuPont's brand names and its relationships with its customers and the numerous governments with which it may do business and on whose goodwill DuPont's business success depends. DuPont faces potentially high risk that it could be associated with workplace human rights violations because of its operations in countries where, according to the U.S. Department of State's 2002 Human Rights Reports and Amnesty International, labor and human rights are not adequately protected in law and/or practice. These high-risk countries include China and Zimbabwe, which are locations of some of DuPont's major sites. In addition, an association with workplace human rights violations could expose DuPont to costly and time-consuming litigation. For example, Chemical Week reported on February 23, 2000 that DuPont

[9] ibid

> settled a Department of Labor claim regarding discrimination against women and "will pay $14,731 each to 31 women, the largest per capita settlement of its kind."

Similarly, *OGE Energy, Inc.* (February 24, 2004) requested OGE "amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and take steps to substantially implement that policy". The proposal explained that this would provide a "competitive advantage in recruiting and retaining employees from the widest talent pool" and noting that "Employment discrimination on the basis of sexual orientation diminishes employee morale and productivity. Because state and local laws are inconsistent with respect to employment discrimination, our company would benefit from a consistent, corporate-wide policy to enhance efforts to prevent discrimination, resolve complaints internally, and ensure a respectful and supportive atmosphere for all employees. OGE will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees." Making the business case for reducing discrimination did not lead to Rule 14a-8(i)(7) exclusion.

In *Bank of America Corporation* (February 21, 2019), Staff was unable to concur in the company's view that it may exclude a proposal under rule 14a-8(i)(7), where that proposal requested a "report on the company's global median gender pay gap, including associated policy, reputational, competitive, and operational risks, and risks related to recruiting and retaining female talent." The background section of the proposal related return on equity and superior stock performance:

> McKinsey states, "the business case for the advancement and promotion of women is compelling." McKinsey identifies best practices for increased female representation including "tracking and eliminating gender pay gaps." MSCI has found gender diverse leadership teams led to a 36.4% improvement in return on equity.
>
> Research from Morgan Stanley, McKinsey, and Robeco Sam suggests gender diverse leadership leads to superior stock price performance and return on equity. McKinsey states, "the business case for the advancement and promotion of women is compelling."

See also *Hess Corporation* (February 29, 2016) where the proposal focused on the significant policy issue of climate change, while requesting disclosure of financial risks to the company of stranded assets related to climate change and associated demand reductions, and the discussion included financial risks related to how stranded assets related to climate change are associated with demand reductions. The Staff denied Rule 14a-8(i)(7) exclusion. The background section included extensive discussion of the business risks to the company associated with climate change.[10]

[10] "Hess' investments in high cost, unconventional projects, including deep and ultra-deepwater projects, require high oil prices to break even, making the company increasingly uncompetitive in a volatile, carbon-constrained market. BlackRock warns that it is "cautious on companies with high-cost reserves" in a decarbonizing economy. (Price of Climate Change, 2015). Kepler Cheuvreux notes that undeveloped deepwater and other unconventional reserves would be most at risk of stranding under a global climate agreement. (Stranded Assets, Fossilised

Other cited no action letters hold no relevance to the present matter. The exclusion of *CBS Corporation* (March 10, 2015) involved the issue of freedom of speech and association of a company's employees including outside of the workplace, an issue which the Staff has not yet identified as transcending ordinary business.

Similarly, requests for reporting on a company's response to or impacts of public pressure campaigns is treated by the staff as distinct from the underlying significant policy issues, which transcend ordinary business. Thus, in *Home Depot* (February 23, 2017) the company argued that the proposal was excludable because it pertained to the manner in which the company interacts with the public and conducts its public relations. The Home Depot proposal requested that the company prepare a report detailing the known and potential risks and costs to the company caused by pressure campaigns to oppose religious freedom laws (or efforts), public accommodation laws (or efforts), freedom of conscience laws (or efforts) and campaigns against candidates from Title IX exempt institutions, detailing the known and potential risks and costs to the company caused by these pressure campaigns supporting discrimination against religious individuals and those with deeply held beliefs, and detailing strategies that the company may deploy to defend the company's employees and their families against discrimination and harassment that is encouraged or enabled by such efforts. The Staff stated that the proposal addressed ordinary business. In line with that is the recent decision in *McDonald's Corporation* (March 22, 2019) requesting information on the impact of public pressure campaigns in relation to cruelty to chickens in the supply chain. While the issue of cruelty to chickens has long been treated as a significant policy issue, focusing the proposal ***on the impact of the public pressure campaigns*** eliminated the protection regarding ordinary business.

The present Proposal does not qualify for this exception. It is clearly oriented directly around the impact on the Company of the significant policy issue, rather than of related public pressure. The present Proposal does not qualify for any of these exceptions, because the underlying subject matter of the Proposal, discrimination against LGBT people, is a clear instance of a significant policy issue.

For all the foregoing reasons described in this Section, the Proponent respectfully requests that the Staff reject the Company's request to exclude the Proposal under Rule 14a-8(i)(7).

**III. The Proposal is not excludable under Rule 14a-8(i)(3) and 14a-9 because the Proposal**

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Revenues, 2014). The 2014-2015 oil market demonstrates that even a modest over-supply of oil can halt production and development of the highest cost resources. While Hess' public reporting generally discusses stranded assets, and why it believes they may not occur, it has not analyzed the financial impact to the company of varying levels of stranded assets which, in the opinion of proponents and oil sector experts, may reasonably be expected to occur due to climate regulations or low demand scenarios. Moreover, the company inappropriately downplays the short-term risks that some portion of its proved reserves could become stranded. Investors are concerned that Hess is not adequately and transparently accounting for these risks."

**and the Supporting Statement are not false or misleading.**

The Company falsely claims that the language of the Proposal "misleadingly implies" that "the Company's EEO Policy permits discrimination on those [sexual orientation and gender identity] bases."

Nowhere does the Proposal make this assertion. The Proposal states that the "lack of a corporate-wide best practice EEO policy sends mixed signals to company employees and prospective employees and calls into question the extent to which LGBT individuals are protected due to inconsistent state policies, the absence of federal law, and conflicting perspectives of federal entities." All of which is true. The EEOC's interpretations that "sex" in Title VII includes protections for "sexual orientation" and "gender identity" is not legally binding, is not uniformly agreed upon within the courts, and is being actively challenged by the Justice Department at the Supreme Court. While the Second U.S. Circuit Court of Appeals in New York, the Sixth Circuit Court of Appeals in Cincinnati, and the Seventh U.S. Circuit Court of Appeals in Chicago have upheld the EEOC's interpretation that LGBT individuals may bring discrimination claims on the basis of "sex" under Title VII, the Eleventh U.S. Circuit Court of Appeals in Atlanta has rejected this interpretation of Title VII on two occasions and continues to conclude that Title VII does not protect employees from sexual orientation discrimination. Moreover, the First, Third, Fourth, Fifth, Eight, Ninth, and Tenth Circuit Courts continue to uphold precedents that have ruled that "sex" discrimination does not encompass sexual orientation.[11] To put it simply, three federal courts have sided with the EEOC, eight have not.

As noted in the Justice Department brief, Congress has yet to pass a federal statute to expand the prohibition of "sex" discrimination to include prohibition of discrimination due to "sexual orientation" or "gender identity." In fact, Congress has repeatedly declined to enact proposed legislation that would explicitly prohibit employment discrimination on sexual orientation and gender identity by failing to pass the Equality Act and the Employment Non-Discrimination Act for every legislative season that these bills have been introduced.

The fact that Congress can amend Title VII to include other provisions under "sex" but has declined to do so for sexual orientation and gender identity formed part of the Justice Department's rationale for interpreting Title VII to not presently include protections for sexual orientation and gender identity. The Company Letter and our Proposal highlight the fact that the EEOC and the Department of Justice currently maintain different interpretations of Title VII.

[11] While predating the 2015 EEOC interpretation of Title VII, nearly every Circuit Court has upheld rulings that sex discrimination does not encompass sexual orientation discrimination. *See, Medina v. Income Support Div.*, 413 F.3d 1131, 1135 (10th Cir. 2005); *Bibby v. Philadelphia Coca Cola Bottling Co.*, 260 F.3d 257, 261 (3d Cir. 2001); *Higgins v. New Balance Athletic Shoe, Inc.*, 194 F.3d 252, 259 (1st Cir. 1999); *Wrightson v. Pizza Hut*, 99 F.3d 138, 143 (4th Cir. 1996); *Williamson v. A.G. Edwards & Sons*, 876 F.2d 69, 70 (8th Cir. 1989); *DeSantis v. Pacific Tel. & Tel. Co.*, 608 F.2d 327, 329-30 (9th Cir. 1979), *abrogated in part on other grounds*, *Nichols v. Azteca Restaurant Enterpr., Inc.*, 256 F.3d 864, 874-75 (9th Cir. 2001); *Blum v. Gulf Oil Corp.*, 597 F.2d 936, 938 (5th Cir. 1979).

CorVel falsely claims that the Proponent is "attempting to question the validity of the EEOC's position." The Proponent provides a factual summary that there are "conflicting perspectives of federal entities." It suffices here to note that the Department of Justice in its communications with the US Supreme Court maintains a different position on Title VII from the EEOC. The U.S. Supreme Court will review three cases concerning anti-LGBT employment discrimination in the Court's 2019-2020 term.[12] When these Title VII cases go to the U.S. Supreme Court, the Department of Justice will be representing the government against an inclusive interpretation.[13] Therefore, even though CorVel is correct that the EEOC is the agency responsible for enforcement of Title VII against private employers, the Department of Justice's interpretation will continue to play a significant role in court-based efforts to establish a Supreme Court precedent protecting individuals from discrimination based on sexual orientation and gender identity.[14]

In conclusion, the state of EEO law regarding protecting LGBT individuals from employment discrimination is unsettled and pending before the Supreme Court; CorVel's attempts to frame this as a settled legal matter are disingenuous.

***The Company does not lack authority to issue a materially complete report***

The Company Letter ends with an absurd argument that the Proposal requires issuance of a public report "that is so one-sided that it would necessarily contain material omissions." This is based on the idea that the Proposal would require the Company to issue a misleading publication, or that the Company somehow lacks "authority" to issue a non-misleading report. On page 8 of the Company Letter CorVel states:

> "While the Proposal requests the issuance of a public report detailing the potential risks associated only with omitting the words 'sexual orientation' and 'gender identity' from the Company's EEO Policy, it would not give the Company any authority to include in such public report details of the potential risks associated with including the words 'sexual orientation' and 'gender identity' in the Company's EEO Policy. *This is misleading because the legal risks of adding the words 'sexual orientation' and 'gender identity' in the*

[12] https://thehill.com/regulation/court-battles/439983-supreme-court-agrees-to-hear-cases-on-sexual-orientation-transgender?userid=240697

[13] https://www.law.com/sites/almstaff/2017/09/26/govt-agencies-spar-in-second-circuit-over-lgbtq-rights/?slreturn=20180023111046

[14] Furthermore, the EEOC's guidance on how to interpret Title VII could change under the current administration. Already, we have seen the Trump Administration's DOJ reverse the Obama Administration's interpretation of protections afforded to transgender employees under existing federal laws. The EEOC is a bipartisan Commission comprised of five presidentially appointed members who serve fixed terms. Presently there are three vacant positions and one of remaining siting commissioners has a term that expires in 2019. As such there is no certainty as to whether the EEOC will maintain its position that protections for "sex" under Title VII include protections for "sexual orientation" and "gender identity" as more appointees from the current administration are added to the Commission.

> *Company's EEO Policy may actually be more significant than the risks of omitting them.*" (emphasis added)

Notably the Company's posture does not imply that it would experience the same outcomes from a policy that included "sexual orientation" and "gender identity" as an EEO policy that did not include these classes—as one would expect from a claim of substantial implementation (see previous section). Instead, the Company implies that there may be "legal risks of adding words 'sexual orientation' and 'gender identity'" and "risks of omitting them."

As an advisory proposal the ***top*** expectation is that the Company will issue a report that is informative and not misleading to investors. Were it the case that being an inclusive company that declines discrimination on the basis of sexual orientation and gender identity would impose costs on the Company—and we are aware of no evidence to suggest that it would—the Company could certainly report on those risks and costs within the scope of the requested report.

The Company does not need "authority" to discuss the risks associated with any particular configuration of the EEO policy. The Proposal is an advisory proposal and the Company would be expected—indeed required—under the securities laws to issue a materially complete report. If there were material costs or considerations associated with the explicit inclusion of the terms, the Company would be expected to disclose them.

For all the foregoing reasons described in this Section, the Proponent respectfully requests that the Staff reject the Company's request to exclude the Proposal under Rule 14a-8(i)(3) and Rule 14a-9.

## CONCLUSION

As demonstrated above, the Proposal is not excludable pursuant to virtue of Rule 14a-8(i)(10), Rule 14a-8(i)(7), and Rule 14a-8(i)(3) and Rule 14a-9. Therefore, we respectfully request the Staff to inform the Company that the SEC proxy rules require denial of the Company's no-action request. In the event that the Staff should decide to concur with the Company, we respectfully request an opportunity to confer with the Staff.

Please call Carly Greenberg at (617)-726-7235 or Sanford Lewis at 413 549-7333 with respect to any questions or if the Staff wishes any further information.

Sincerely,

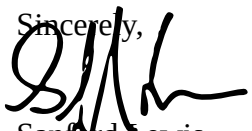

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**Exhibit A: 2019 Shareholder Proposal**

RESOLVED
Shareholders request that CorVel Corporation ("Corvel") issue a public report detailing the potential risks associated with omitting "sexual orientation" and "gender identity" from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omitting proprietary information.

SUPPORTING STATEMENT
CorVel does not explicitly prohibit discrimination based on sexual orientation and gender identity or expression in its written EEO policy.

CorVel's lack of a corporate-wide best practice EEO policy sends mixed signals to company employees and prospective employees and calls into question the extent to which LGBT (lesbian, gay, bisexual, or transgender) individuals are protected due to inconsistent state policies, the absence of a federal law, and conflicting perspectives of federal entities1.

CorVel has operations in 43 states and is therefore unable to avoid the patchwork of state laws regarding LGBT non-discrimination. Currently, 21 states, the District of Columbia and more than 225 cities prohibit discrimination in employment based on sexual orientation and gender identity. On the other hand, discrimination against LGBT people may be permissible in 21 states that have adopted Religious Freedom laws.

Companies with inclusive policies are better able to recruit the most talented employees from a broad labor pool, resolve complaints internally to avoid costly litigation or reputation damage, and lower employee turnover. Moreover, inclusive policies contribute to more efficient human capital management by eliminating the need to maintain different policies in different locations.

Nearly two-thirds of self-identified LGBT Americans report experiencing discrimination in their personal lives and forty-six percent of LGBT workers conceal their sexual orientation and/or gender identity at work (Human Rights Campaign, 2018)—a phenomenon which affects individual productivity and overall team cohesion.

Presently shareholders are unable to evaluate how CorVel prevents discrimination towards LGBT employees, mitigates employee concerns of potential discrimination, and ensures a respectful and supportive work atmosphere that bolsters employee performance and improves patient care.

Most companies have inclusive policies, including industry peers, such as, Aetna, Aon Plc, Brown & Brown, and Marsh & McLennan Companies. According to the Human Rights Campaign, 82% of the Fortune 500® companies had EEO policies that include sexual orientation and gender identity in 2017.

Without an inclusive EEO policy, CorVel may be sacrificing competitive advantages relative to peers while simultaneously increasing company and shareholder exposure to reputational and financial risks.

We recommend that the report evaluate risks including, but not limited to, negative effects on employee hiring and retention, and litigation risks from conflicting state and company anti-discrimination policies.

———————

1 In 2015, the Equal Employment Opportunity Commission (EEOC) advised that LGBT individuals were protected under "sex" by Title VII of the Civil Rights Act. However, in June 2017, the Justice Department contested the EEOC's guidance in an Amicus Brief to a US Court of Appeals stating explicitly that "Title VII does not reach discrimination based on sexual orientation."

**Exhibit B**
**CorVel Code of Ethics and EEO Policy**

CORVEL

# Code of Ethics

## Introduction and General Policy

The Board of Directors of CorVel Corporation ("CorVel" or the "Company") has established this Code of Ethics (the "Code") as a guide for all directors, officers, employees and certain agents and contractors in making legal and ethical business decisions when conducting Company business and performing day-to-day duties on behalf of the Company. CorVel is committed to the highest standards of legal and ethical business conduct, and seeks to foster an environment of awareness where the prompt reporting of unethical or illegal behavior, or violations of our corporate policies, is protected, encouraged and dealt with fairly. We expect directors, officers and employees at every level to conduct themselves in full compliance with all legal and ethical obligations, and to avoid even the appearance of improper behavior.

This Code does not cover every issue that may arise, but is intended to provide a basic summary of the legal, ethical and regulatory principles that should guide the conduct of our directors, officers and employees. We encourage our directors, officers and employees to read all of our other policies in conjunction with this Code to gain a full understanding of their responsibilities. Nothing in this Code is intended to alter the existing legal rights and obligations of the Company or any of its directors, officers or employees.

A failure to fulfill responsibilities under this Code may result in disciplinary action, up to and possibly including immediate termination.

This Code requires at a minimum:

1. Honest, prudent and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

confidential business information except through our Chief Executive Officer or Chief Financial Officer.

## Compliance with Laws and Corporate Policies

Our corporate policies have been created to ensure that our directors, officers and employees comply with applicable laws and governmental regulations. We expect our directors, officers and employees to respect and obey the law, both in letter and spirit. Reading and understanding our general corporate policies is a good start to learning some of the laws, rules and regulations that govern our lives.

By following these policies, our directors, officers and employees can fulfill our commitments to, among other things: (1) maintaining a safe and healthy work environment; (2) promoting a workplace that is free from unlawful discrimination or harassment based on race, color, creed, religion, age, sex, genetic information, national origin, ancestry, citizenship status, disability, military service, veteran status or any other classification protected by applicable federal, state, and local laws and ordinances; (3) supporting fair competition and laws prohibiting restraints of trade and other unfair trade practices; (4) conducting our activities in full compliance with all applicable environmental laws; (5) keeping the political activities of our directors, officers and employees separate from our business; (6) prohibiting any direct or indirect illegal payments, gifts, favors or gratuities to any government officials, candidates or political parties; (7) prohibiting the unauthorized use, reproduction, or distribution of any third party's trade secrets, copyrighted information or confidential information; (8) prohibiting the sale or export, either directly or through our representatives, of our products to countries where technology related goods such as ours may not be sold; and (9) complying with all applicable state and federal securities laws.

Our directors, officers and employees are prohibited from trading CorVel securities while in possession of material, nonpublic ("inside") information about the Company. Our Insider Trading Policy (see Policy 203) describes the nature of inside information and the related restrictions on trading.

We encourage our directors, officers and employees to seek advice regarding the details of the policies, laws, rules and regulations with which they must comply, by submitting a written request to our Vice President of Legal Services.

## Reporting and Consequences of Violations

### Reporting Violations and Asking Questions

## 101 EQUAL EMPLOYMENT OPPORTUNITY

In order to provide equal employment and advancement opportunities to all individuals, CorVel strives to make employment decisions based on merit, qualifications, and abilities. Employment practices will not be influenced or affected by an applicant's or employee's race, color, creed, religion, age, sex, gender, genetic information, national origin, ancestry, citizenship status, physical or mental disability, military service, veteran status or any other classification protected by applicable federal, state, and local laws and ordinances. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, access to facilities and programs, and access to benefits and training.

To the extent required by applicable law, CorVel will endeavor to make reasonable accommodations for qualified individuals with known disabilities, without regard to any protected classifications, unless doing so would result in an undue hardship on the operation of our business. If you believe you need a reasonable accommodation to perform your job duties due to a physical or mental condition, please speak to your supervisor/manager.

Additionally, we respect the sincerely held religious beliefs and practices of all employees and will endeavor to make a reasonable accommodation if those sincerely held religious beliefs or practices conflict with an employee's job unless the accommodation would impose an undue hardship on the operation of our business. Any employee who would like to request an accommodation should contact supervisor/manager.

Any employees with questions or concerns about any type of perceived discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, the Regional Vice President, CEO, or the Corporate Human Resources Director. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of conduct in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

April 10, 2019

**VIA EMAIL**

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

**Re:** ***CorVel Corporation – Notice of Intent to Omit Shareholder Proposal Submitted by Walden Asset Management***

Dear Ladies and Gentlemen:

CorVel Corporation, a Delaware corporation (the "***Company***"), hereby submits this letter pursuant to Rule 14a-18(j) under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), to notify the staff (the "***Staff***") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "***Commission***") of the Company's intention to exclude from the Company's proxy materials for the Company's 2019 Annual Meeting of Shareholders (the "***2019 Proxy Materials***"), a shareholder proposal (the "***Proposal***") submitted by Walden Asset Management (the "***Proponent***") that would require the Company to issue a public report detailing the potential risks associated with omitting "sexual orientation" and "gender identity" from its written equal employment opportunity policy (the "***EEO Policy***") and that such report should be available within a reasonable timeframe, prepared at a reasonable expense and omitting proprietary information.

Pursuant to Rule 14a-8(j) under the Exchange Act, we have (i) submitted this letter to the Staff no later than eighty (80) days before the Company intends to file its definitive 2019 Proxy Materials with the Commission and (ii) concurrently sent copies of this correspondence to the Proponent. Pursuant to *Staff Legal Bulletin 14D* (Nov. 7, 2008) ("***SLB 14D***"), we are transmitting this letter by electronic mail to the Staff at shareholderproposals@sec.gov. We are also sending copies of this letter concurrently to the Proponent. If the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Proposal, pursuant to Rule 14a-8(k) and SLB 14D, we request that a copy of this correspondence be furnished concurrently to the Company. We ask that the Staff provide its response to this request to Richard Schweppe, via email at Richard_Schweppe@corvel.com.

## I. THE PROPOSAL

The Proposal requests that the Company's shareholders approve the following resolution:

"RESOLVED, Shareholders request that CorVel Corporation ("CorVel") issue a public report detailing the potential risks associated with omitting "sexual orientation" and "gender identity" from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omitting proprietary information."

A copy of the Proposal, the Proponent's Supporting Statement and correspondence between the Proponent and the Company are attached as Exhibit A.

## II. GROUNDS FOR EXCLUSION

The Company respectfully requests confirmation that the Staff will not recommend enforcement action to the Commission if the Company excludes the Proposal from the 2019 Proxy Materials pursuant to:

(i) Rule 14a-8(i)(10) because the Company has already substantially implemented the Proposal;

(ii) Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations; and

(iii) Rule 14a-8(i)(3) and Rule 14a-9 because the Proposal and the Proponent's Supporting Statement are materially false and/or misleading.

**Rule 14a-8(i)(10) – The Company has already substantially implemented the proposal.**

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company "has already substantially implemented the proposal." Prior to 1983, the Commission determined whether a proposal was excludable under the predecessor to Rule 14a-8(i)(10) by analyzing whether "the proposal has been fully effected." In *Exchange Act Release No. 20091* (Aug. 16, 1983) (the "***1983 Release***"), the Commission rejected this "formalistic" approach in favor of the current standard, which is whether the proposal has been "substantially implemented" by the company, as codified in the current Rule 14a-8(i)(10). *See SEC Release No. 34-40018* (May 1998). The Staff has agreed that a "determination that the company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (March 28, 1991). The Staff has permitted the exclusion of shareholder proposals under the "compares favorably" standard when a company's actions have satisfactorily addressed the proposal's underlying concerns and its essential objective, even when the manner by which a company implements the proposal does not correspond precisely to the actions sought by the proponent. *See Dunkin Brands Group, Inc.* (March 6, 2019) (concurring in the exclusion of a shareholder proposal that requested a report assessing the feasibility of integrating sustainability metrics into the performance quotas of senior executives of the company's compensation plans because the company had already integrated sustainability metrics into the compensation plans of certain senior executives and other employees); *Wal-Mart Stores, Inc.* (March 25, 2015) (concurring in the exclusion of a shareholder proposal requesting the company to include in the metrics used to determine senior executives' incentive compensation at least one metric related to the company's employee engagement where the company's management incentive plan included a diversity and inclusion metric related to employee engagement).

As with the shareholder proposals permitted to be excluded by the Staff in the no-action letters outlined above, the Company has substantially implemented the Proposal because the Company has addressed the Proposal's underlying concerns and its essential objective. The Proposal requests that the Company "issue a public report detailing the potential risks associated with omitting 'sexual orientation' and 'gender identity' from its written equal employment opportunity (EEO) policy." Although the Proposal is framed

as a request to prepare a report, the Proposal has the same underlying concerns and essential objective as the Proponent's shareholder proposal submitted for inclusion in the Company's proxy materials for the 2018 annual meeting of its shareholders (the "***Prior Proposal***", attached hereto as Exhibit B) and the Proponent's shareholder proposals submitted for inclusion in The CATO Corporation's proxy materials for both the 2017 and the 2018 annual meetings of its shareholders (the "***CATO Proposals***"). In both the Prior Proposal and the CATO Proposals, the Proponent requested that each company amend its EEO policy to explicitly include the phrases "sexual orientation" and "gender identity" as categories of individuals protected thereunder based on the premise that there are potential risks and costs associated with not explicitly including the requested language in a company's EEO policy. In connection with each of the CATO Proposals, the Staff stated that it would not recommend an enforcement action against The CATO Corporation if it were to exclude the CATO Proposals under Rule 14a-8(i)(10) because The CATO Corporation's "policies, practices and procedures compare favorably with the guidelines of" the CATO Proposals and that The CATO Corporation had "therefore, substantially implemented" the CATO Proposals (the "***CATO No-Action Letters***"). After the Staff issued the 2018 CATO No-Action Letter, the Proponent withdrew the Prior Proposal it had submitted to the Company.

Like The CATO Corporation's EEO policy, as confirmed by the CATO No-Action Letters, the Company's EEO Policy has substantially implemented the Proposal by addressing its underlying concerns and essential objective. The Company's EEO Policy is attached hereto as Exhibit C. As was the case for The CATO Corporation, the Company's EEO Policy states that it prohibits discrimination on the basis of "race, color, creed, religion, age, sex, gender, genetic information, national origin, ancestry, citizenship status, physical or mental disability, military service, veteran status or any other classification protected by applicable federal, state, and local laws and ordinances." Because the Company's EEO Policy is substantially the same as The CATO Corporation's EEO policy, the Company has addressed the Proposal's underlying concerns and essential objective, and therefore, the Proposal has already been substantially implemented by the Company. Thus, requesting that the Company expend resources to investigate the risks and costs associated with the non-implementation of something that the Staff has found to have already been substantially implemented would be a redundant effort by the Company and a waste of the Company's resources.

For all the foregoing reasons described in this Section, the Company respectfully requests that the Staff permit exclusion of the Proposal under Rule 14a-8(i)(10).

**A. Rule 14a-8(i)(7) – The Proposal relates to the Company's ordinary business operations.**

Rule 14a-8(i)(7) provides that a shareholder proposal may be omitted from a proxy statement "[i]f the proposal deals with a matter relating to the company's ordinary business operations." In *SEC Release No. 34-40018* (May 1998) (the "***1998 Release***"), the Commission explained that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." The Commission has stated that this policy rests on two "central considerations." The first is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis" that they could not be subject to direct shareholder oversight. The second is "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into

matters of a complex nature upon which stockholders, as a group, would not be in a position to make an informed judgment." In *SEC Staff Legal Bulletin No. 14C (CF)* (June 2005), the Staff was clear that "in determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole."

As far back as 1983, the Commission's position has been that shareholder proposals requesting a company to prepare and issue a report would be subject to the same analysis, in which "the staff will consider whether the subject matter of the special report... involves a matter of ordinary business; where it does, the proposal will be excludable under" the ordinary business exclusion. *See* the 1983 Release. In *Staff Legal Bulletin No. 14E (CF)* (October 2009) ("***SLB 14E***"), the Staff reaffirmed the approach set forth in the 1983 Release with respect to analyzing "proposals asking for the preparation of a report." In addition, the Staff also made clear that a proposal's request for a review of certain risks also does not preclude exclusion if the underlying subject matter of the proposal is ordinary business. The Staff stated that "rather than focusing on whether a proposal and supporting statement relate to the company engaging in an evaluation of risk, we will instead focus on the subject matter to which the risk pertains or that gives rise to the risk... [S]imilar to the way in which we analyze proposals asking for the preparation of a report... we will consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company." The Staff in SLB 14E also clarified that "in those cases in which a proposal's underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company. Conversely, in those cases in which a proposal's underlying subject matter involves an ordinary business matter to the company, the proposal generally will be excludable under Rule 14a-8(i)(7)." In 2015, the Staff again confirmed the approach set forth in the 1983 Release stating that the "analysis should focus on the underlying subject matter of a proposal's request for board or committee review regardless of how the proposal is framed." *See Staff Legal Bulletin No. 14H* (October 22, 2015).

The Commission has consistently held that a shareholder proposal may be excluded under the ordinary business exclusion if it is primarily involved with a company's "day-to-day business matters," such as the management of its workforce and financial matters. In the 1998 Release, the Commission also acknowledged that a proposal may be able to transcend such "day-to-day business matters" by "focusing on sufficiently significant social policy issues (e.g., significant discrimination matters)." However, even in cases involving significant discrimination matters, the Commission is clear that "there is no bright-line test" and that the ordinary business exclusion may still apply as determined on a "case-by-case basis" using the Commission's general approach to Rule 14a-8(i)(7) as outlined above. Thus, the relevant question is whether the shareholder proposal sufficiently focuses on significant social policy issues such that it transcends the day-to-day business matters of the company. *See Home Depot Inc.* (February 23, 2017) (concurring in the exclusion of a shareholder proposal requesting a report detailing the known and potential risks and costs to the company caused by pressure campaigns to oppose laws protecting individuals' freedom of religion because the focus of the proposal did not transcend the company's public relations and management of its workforce); *CBS Corp.* (March 10, 2015) (concurring in the exclusion of a shareholder proposal requesting that management review its policies related to human rights to assess areas in which the company may need to adopt and implement additional policies and to report its findings because "the proposal relates to CBS's policies concerning its employees").

In *Amazon.com* (April 10, 2018) (the "***Amazon No-Action Letter***"), the Staff stated that it would not recommend an enforcement action against Amazon if it were to exclude under Rule 14a-8(i)(7) a shareholder proposal requesting Amazon to issue a report on company-wide efforts to assess, reduce and optimally manage food waste in light of its role in causing hunger and climate change (the "***Amazon Proposal***"). Although Amazon recognized that "some proposals addressing climate change or hunger may implicate significant policy issues," Amazon argued that the Amazon Proposal did not transcend ordinary business matters because the Amazon Proposal and its supporting statement did not focus sufficiently on social policy issues. Rather, Amazon showed that the Amazon Proposal and its supporting statement addressed "primarily economic and competitive issues that implicate [Amazon's] ordinary business operations," including "'[e]stimated cost savings from optimized food purchasing, handling, recycling, and disposal,' 'cost savings,' 'lost profits,' 'be[ing] financially beneficial for companies,' addressing 'operational risk' and 'competitive disadvantage,'" with little reference to how food waste contributed to the social issues of climate change and hunger. *See also CVS Health Corp.* (March 8, 2016) (concurring in the exclusion of a shareholder proposal requesting that the company set company-wide quantitative targets to increase renewable energy sourcing and/or production for the purpose of promoting the important social issue of sustainability because the proposal focused primarily on cost savings and financial management).

The Company submits that the focus of the Proposal and the Supporting Statement is on primarily "day-to-day business matters," such as economic and competitive issues and the management of its workforce. The Proposal requests that the Company issue a public report "detailing the potential risks" associated with omitting "sexual orientation" and "gender identity" from its EEO Policy. As made clear in the Supporting Statement, the "potential risks" referred to in the Proposal are primarily economic and competitive in nature or otherwise relate to the management of the Company's workforce. For instance, the Supporting Statement focuses on the Company's ability to "better recruit the most talented employees from a broad labor pool, resolve complaints internally to avoid costly litigation or reputation damage, and lower employee turnover" and to have "more efficient human capital management…" and "a respectful and supportive work atmosphere that bolsters employee performance…" The Supporting Statement further asserts that, by not including such language in its EEO Policy, the Company "may be sacrificing competitive advantages" and taking on "reputational and financial risks." The Supporting Statement then recommends that the report evaluate "negative effects on employee hiring and retention, and litigation risks from conflicting state and company anti-discrimination policies." As was the case with the Amazon Proposal and the other shareholder proposals permitted to be excluded as outlined above, the primary focus of the Proposal and the Supporting Statement is on economic and competitive issues and other ordinary business matters, such as the management of the Company's workforce, rather than the social policy issues mentioned therein.

In *Wal-Mart Stores, Inc.* (April 3, 2002), the Staff rejected Wal-Mart's argument that a shareholder proposal (the "***Wal-Mart Proposal***") requesting the company to issue a report regarding its affirmative action policies was excludable under Rule 14a-8(i)(7) as it dealt with matters related to Wal-Mart's ordinary business operations. The Proposal fundamentally differs from the Wal-Mart Proposal because The Wal-Mart Proposal focused on how the company's employment policies impacted an important social issue, which is discrimination against racial minorities. Here, the Proposal is focused on how a particular social issue (i.e., discrimination against LGBT individuals) may affect the Company's business performance. As highlighted in the Amazon No-Action Letter, assessing the impact of social issues on a company's business performance is an ordinary business function and properly within the purview of a company's management and board of directors, not shareholders.

In *The Proctor & Gamble Company* (August 16, 2016), the Staff rejected P&G's argument that a shareholder proposal (the "***P&G Proposal***") requesting the company to issue a report regarding the risks and costs caused by any enacted or proposed state policies supporting discrimination against LGBT individuals was excludable under Rule 14a-8(i)(7) as it dealt with matters related to P&G's ordinary business operations. Unlike the Proposal, the social issues addressed in the P&G Proposal clearly "transcends the day-to-day business matters of the company." In the P&G Proposal, the focus of the report was on the risks and costs to P&G "*caused by any enacted or proposed state policies supporting discrimination against LGBT people.*" It is difficult to imagine a more important social issue outside the realm of ordinary business matters than state-wide legitimized discrimination against classes of individuals on the basis of their sexual orientation or gender identity. The state policies addressed in the P&G Proposal were shown to have had a dramatic and pervasive impact on the lives of LGBT individuals both inside and outside of the workplace, including such critical areas as housing and healthcare. In contrast, the Proposal focuses on how the Company's internal decision to maintain its current EEO Policy may create business-related risks and costs for the Company because it does not explicitly contain the words "sexual orientation" and "gender identity." The language of a company's EEO policy and a company's decision not to modify its language after thoughtful consideration, with the advice of counsel, of the many complex legal and business issues involved therewith, is intimately connected with its day-to-day business matters. Furthermore, in the CATO No-Action Letters discussed above, the Staff agreed that a similar EEO policy had "substantially implemented" and "compared favorably" with an EEO policy that included the language that is the subject of the Proposal. Thus, the primary focus of the Proposal appears to be on advancing the Proponent's preferred language for use in the Company's EEO Policy, which is amounts to micro-management of the "day-to-day business matters" of the Company.

This conclusion is further reinforced by the fact that the clear focus of the P&G Proposal is the well-being of P&G's LGBT employees, while the focus of the Proposal is the competitive and financial position of the Company. For instance, the P&G Proposal requests that P&G detail "strategies… that the Company may deploy to defend the Company's LGBT employees and their families against discrimination and harassment that is encouraged or enabled by the [outside state] policies" and to evaluate risks including "challenges in securing safe housing for employees" and "risks to employee's LGBT children and risks to LGBT employees who need to use public facilities…" As demonstrated above, the Proposal is primarily concerned with potential risks and costs associated with the financial and competitive position of the Company that may be caused by the omission of certain words from the Company's EEO Policy.

For all the foregoing reasons described in this Section, the Company respectfully requests that the Staff permit exclusion of the Proposal under Rule 14a-8(i)(7).

**B. <u>Rule 14a-8(i)(3) and Rule 14a-9 – The Proposal and the Proponent's Supporting Statement are materially false and/or misleading</u>.**

Rule 14a-8(i)(3) permits the exclusion of 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 soliciting materials. In *Staff Legal Bulletin No. 14B* (Sept. 15, 2004) ("***SLB 14B***"), the Staff clarified that exclusion of a statement under Rule 14a-8(i)(3) may be appropriate where "the company demonstrates objectively that a factual statement is materially false or misleading," rather

than where the company objects to the statement because it lacks support, may be disputed or countered, or may be interpreted unfavorably. Importantly, the Staff indicated that "when a proposal and supporting statement will require detailed and extensive editing in order to bring them into compliance with the proxy rules, [the Staff] may find it appropriate for companies to exclude the entire proposal, supporting statement, or both, as materially false or misleading." The Staff consistently has concurred that where a proposal is inextricably based on a materially false or misleading premise, the proposal as a whole is excludable under Rule 14a-8(i)(3). *See Ferro Corp.* (March 17, 2015) (concurring in the exclusion of a shareholder proposal that was predicated on the false and/or misleading premise that shareholders would have increased rights if the company was governed by Delaware Law as compared to Ohio Law); *General Electric Co.* (January 6, 2009) (concurring in the exclusion of a shareholder proposal requesting the company to adopt a formal policy to ensure that any director who receives greater than 25% withheld votes will not serve on key board committees for two years after the annual meeting because the company had majority voting and did not typically allow shareholders to withhold votes in director elections); *Johnson & Johnson* (January 31, 2007) (concurring in the exclusion of a shareholder proposal to provide shareholders a vote on an advisory management resolution to approve the report of the Compensation Committee in the proxy statement because the proposal would create the false implication that shareholders would be voting on executive compensation); *State Street Corp.* (March 1, 2005) (concurring in the exclusion of a shareholder proposal requesting that the board of directors be exempt from a section of state law that was no longer applicable); *Wal-Mart Stores, Inc.* (April 2, 2001) (concurring in the exclusion of a shareholder proposal to remove "all genetically engineered crops, organisms or products" because the text of the proposal misleadingly implied that it related only to the sale of food products when in fact it would impact numerous other categories of products); *General Magic, Inc.* (May 1, 2000) (concurring in the exclusion of a shareholder proposal requesting that the company make "no more false statements" to its shareholders because the proposal created the false impression that the company tolerated dishonest behavior by its employees when in fact the company had corporate policies to the contrary).

The Proposal is materially false and/or misleading because it is inextricably based on the materially misleading premise that the Company's EEO Policy does not prohibit discrimination on the basis of sexual orientation and gender identity for the sole reason that it does not explicitly include the words "sexual orientation" and "gender identity." The Company's EEO Policy states that it prohibits discrimination against individuals on the basis of "race, color, creed, religion, age, sex, gender, genetic information, national origin, ancestry, citizenship status, physical or mental disability, military service, veteran status or any other classification protected by applicable federal, state, and local laws and ordinances." Despite the fact that, as a legal matter, the omission of the words "sexual orientation" and "gender identity" does not mean that the Company's EEO Policy permits discrimination on those bases, the language of the Proposal misleadingly implies that this is the case.

The EEOC, which is the agency responsible for the enforcement of Title VII, and several federal courts have indicated that LGBT individuals may bring discrimination claims on the basis of "sex" under Title VII. In an attempt to question the validity of the EEOC's position, the Proponent's Supporting Statement states the following in a footnote:

"In 2015, the Equal Employment Opportunity Commission (EEOC) advised that LGBT individuals were protected under "sex" by Title VII. However, in June 2017, the Justice Department contested the EEOC's

guidance in an Amicus Brief to a US Court of Appeals stating explicitly that 'Title VII does not reach discrimination based on sexual orientation'."

The Proposal was submitted on February 6, 2019, which was nearly a year after the U.S. Court of Appeals referenced by the Proponent, on February 26, 2018, rejected the Justice Department's Amicus Brief position in *Zarda v. Altitude Express, Inc.* 883 F.3d 100 (2d Cir. 2018), where the Court concluded that "sexual orientation discrimination is a subset of sex discrimination and is thereby barred by Title VII." Much like the shareholder proposals in *Ferro Corp.* (March 17, 2015) and *State Street Corp.* (March 1, 2005), the Proposal is premised on a materially misleading presentation of the law that forms the sole basis for the Proposal.

The foregoing is further supported by the fact that the Proposal relies upon the same materially misleading premise that the Proponent had relied upon in the Prior Proposal and in the CATO Proposals. In both the Prior Proposal and the CATO Proposals, the Proponent relied upon its assertion that an EEO policy is deficient for failing to explicitly include the words "sexual orientation" and "gender identity" where the EEO policy states that it protects "any other legally-protected classification" (or similarly inclusive language) among other enumerated categories. In the CATO No-Action Letters, the Staff stated that The CATO Corporation's "policies, practices and procedures compare favorably with the guidelines of" the CATO Proposals and that The CATO Corporation had "therefore, substantially implemented" the CATO Proposals. After the Commission issued the 2018 CATO No-Action Letter, the Proponent withdrew the Prior Proposal it had submitted to the Company. As a result, we can only presume that the Proponent must be fully aware that the EEOC, several federal courts and the Staff is of the view that there is no material difference between EEO policies like the Company's EEO Policy and EEO policies which include the language advocated by the Proponent. Thus, the Proposal is not only materially false and/or misleading, but we presume intentionally so, for continuing to promote the view that the Company's EEO Policy does not prohibit discrimination on the basis of sexual orientation and gender identity, without acknowledging this evidence to the contrary.

The Proposal is also materially false and/or misleading because it requires the issuance of a public report that is so one-sided that it would necessarily contain material omissions. While the Proposal requests the issuance of a public report detailing the potential risks associated *only* with omitting the words "sexual orientation" and "gender identity" from the Company's EEO Policy, it would not give the Company any authority to include in such public report details of the potential risks associated with *including* the words "sexual orientation" and "gender identity" in the Company's EEO Policy. This is misleading because the legal risks of adding the words "sexual orientation" and "gender identity" in the Company's EEO Policy may actually be more significant than the risks of omitting them. The Company would have no authority under the Proposal to explore and publicly report on such risks, and that would give shareholders a slanted view of the Company's EEO Policy.

Therefore, for all the foregoing reasons, the Company believes it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(3) and Rule 14a-9.

## III. CONCLUSION

Based on the foregoing analysis, the Company hereby respectfully requests that the Staff confirm it will not recommend enforcement action if the Proposal is excluded from the Company's 2019 Proxy Materials.

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If you have any questions regarding this request or desire additional information, please contact Richard Schweppe, via email at Richard_Schweppe@corvel.com. If the Staff does not concur with the Company's position, we respectfully request an opportunity to confer with the Staff concerning this matter prior to the determination of the Staff's final position. Thank you for your attention to this matter.

Sincerely,

CORVEL CORPORATION

By: Richard Schweppe
Richard Schweppe, Secretary

cc: Carly Greenberg, CFA, Walden Asset Management

**EXHIBIT A**

**Walden Asset Management**
*Advancing sustainable business practices since 1975*

February 6, 2019

Richard J. Schweppe
Secretary
CorVel Corporation
2010 Main Street
Suite 600
Irvine, CA 92614

Dear Mr. Schweppe:

Boston Trust & Investment Management Company, including our socially responsive investment practice Walden Asset Management, incorporates environmental, social and governance (ESG) analysis into investment decision-making. We also strive to strengthen corporate ESG policies, performance, and accountability through shareholder engagement.

Representing clients who hold more than 112,480 shares of CorVel Corporation, Boston Trust and Walden Asset Management believe that corporations with non-discrimination policies that reference sexual orientation and gender identity or expression have a competitive advantage in recruiting and retaining employees from the widest talent pool. Furthermore, we believe that the absence of such a policy exposes our company to risks that could harm shareholder value. CorVel Corporation does not have a policy explicitly prohibiting discrimination based on sexual orientation and gender identity or expression.

As the 16th largest institutional shareholders in CorVel as of December 31, 2018, we are surprised by the lack of response to our inquiries. We reached out to the company about this matter last year and did not receive a response to our letters or emails. Furthermore, when we filed a shareholder proposal on this for the 2018 proxy, we were disappointed to find corporate counsel unwilling to engage in a dialogue or phone call. Due to the lack of communication and the concerns described above, Walden is submitting the attached shareholder proposal for the 2019 proxy statement.

The attached proposal is submitted for inclusion in the 2019 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Act of 1934. Walden is the beneficial owner of these shares as defined in Rule 13d-3 of the Act. We have been a shareholder for more than one year, holding more than $2,000 of CorVel Corporation stock and will continue to hold at least $2,000 of CorVel stock through the date of the next stockholder's annual meeting. Verification of our ownership position is attached, provided by our sub-custodian, U.S. Bank, a DTC participant.

A representative will attend the shareholder's meeting to move the resolution as required by SEC rules.

You will notice that we have reshaped our proposal from last year. After analyzing the SEC's decisions regarding no-action requests, we believe this new version is likely to be supported by the SEC. Of course, our preference would be to have a dialogue with the company on this matter, and we would be pleased to withdraw the resolution at any time should we be able to have a productive conversation and come to an agreement. We file today to meet the filing deadline and retain the option of having a resolution on the proxy.

Walden Asset Management is the primary filer. You may contact me at 617.726.7235 or cgreenberg@bostontrust.com if you have any questions. We look forward to your response.

Sincerely,

Carly Greenberg, CFA
Manager, ESG Investing
Walden Asset Management
Boston Trust & Investment Management Company
One Beacon St.
Boston, MA 02108
617.726.7235

**RESOLVED**
Shareholders request that CorVel Corporation ("Corvel") issue a public report detailing the potential risks associated with omitting "sexual orientation" and "gender identity" from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omitting proprietary information.

**SUPPORTING STATEMENT**
CorVel does not explicitly prohibit discrimination based on sexual orientation and gender identity or expression in its written EEO policy.

CorVel's lack of a corporate-wide best practice EEO policy sends mixed signals to company employees and prospective employees and calls into question the extent to which LGBT (lesbian, gay, bisexual, or transgender) individuals are protected due to inconsistent state policies, the absence of a federal law, and conflicting perspectives of federal entities[1].

CorVel has operations in 43 states and is therefore unable to avoid the patchwork of state laws regarding LGBT non-discrimination. Currently, 21 states, the District of Columbia and more than 225 cities prohibit discrimination in employment based on sexual orientation and gender identity. On the other hand, discrimination against LGBT people may be permissible in 21 states that have adopted Religious Freedom laws.

Companies with inclusive policies are better able to recruit the most talented employees from a broad labor pool, resolve complaints internally to avoid costly litigation or reputation damage, and lower employee turnover. Moreover, inclusive policies contribute to more efficient human capital management by eliminating the need to maintain different policies in different locations.

Nearly two-thirds of self-identified LGBT Americans report experiencing discrimination in their personal lives and forty-six percent of LGBT workers conceal their sexual orientation and/or gender identity at work (Human Rights Campaign, 2018)—a phenomenon which affects individual productivity and overall team cohesion.

Presently shareholders are unable to evaluate how CorVel prevents discrimination towards LGBT employees, mitigates employee concerns of potential discrimination, and ensures a respectful and supportive work atmosphere that bolsters employee performance and improves patient care.

Most companies have inclusive policies, including industry peers, such as, Aetna, Aon Plc, Brown & Brown, and Marsh & McLennan Companies. According to the Human Rights Campaign, 82% of the *Fortune 500*® companies had EEO policies that include sexual orientation and gender identity in 2017.

Without an inclusive EEO policy, CorVel may be sacrificing competitive advantages relative to peers while simultaneously increasing company and shareholder exposure to reputational and financial risks.

We recommend that the report evaluate risks including, but not limited to, negative effects on employee hiring and retention, and litigation risks from conflicting state and company anti-discrimination policies.

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[1] In 2015, the Equal Employment Opportunity Commission (EEOC) advised that LGBT individuals were protected under "sex" by Title VII of the Civil Rights Act. However, in June 2017, the Justice Department contested the EEOC's guidance in an Amicus Brief to a US Court of Appeals stating explicitly that "Title VII does not reach discrimination based on sexual orientation."

Institutional Trust & Custody
425 Walnut Street
Cincinnati, OH 45202

Date: February 6, 2019

To Whom It May Concern:

U.S. Bank acts as sub-custodian for Boston Trust & Investment Management Company (Boston Trust) and Walden Asset Management (Walden) since July 18, 2016. Walden Asset Management is the investment division of Boston Trust dealing with environmental, social and governance matters.

We are writing to confirm that Boston Trust / Walden Asset Management has continuously had beneficial ownership of a least $2,000 in market value of the voting securities of **CorVel Corporation (Cusip#221006109)** for more than one year.

U.S. Bank serves as the sub-custodian for Boston Trust and Investment Management Company. U. S. Bank is a DTC participant.

Sincerely,

Melissa Wolf
Officer, Client Service Manager
Institutional Trust & Custody

**EXHIBIT B**

Walden Asset Management

*Advancing sustainable business practices since 1975*

January 18, 2017

Richard J. Schweppe
Secretary
CorVel Corporation
2010 Main Street
Suite 600
Irvine, CA 92614

Dear Mr. Schweppe:

Boston Trust & Investment Management Company, including our socially responsive investment practice Walden Asset Management, incorporates environmental, social and governance (ESG) analysis into investment decision-making. We also strive to strengthen corporate ESG policies, performance, and accountability through shareholder engagement.

Representing clients who hold more than 130,000 shares of CorVel Corporation, Boston Trust and Walden Asset Management believe that corporations with nondiscrimination policies that reference sexual orientation and gender identity or expression have a competitive advantage in recruiting and retaining employees from the widest talent pool.

CorVel Corporation does not have a policy explicitly prohibiting discrimination based on sexual orientation and gender identity/expression. In addition, we have not received responses to letters and emails we sent to Investor Relations on this matter. Due to our lack of communication and the concerns described above, Walden is submitting a shareholder resolution.

The attached proposal is submitted for inclusion in the 2018 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Act of 1934. Walden is the beneficial owner of these shares as defined in Rule 13d-3 of the Act. We have been a shareholder for more than one year holding over $2,000 worth of CorVel Corporation shares and will continue to hold at least $2,000 of CorVel stock through the date of the next stockholder's annual meeting. Verification of our ownership position will be provided on request by our sub-custodian who is a DTC participant.

A representative will attend the shareholder's meeting to move the resolution as required by SEC rules.

Our preference would be to have a dialogue with the company on this matter, yet we file today so as to meet the filing deadline and retain the option of having a resolution on the proxy. We

would be pleased to withdraw the resolution at any time following any commitments to improve the company's equal employment opportunity policy.

Walden Asset Management is the primary filer. You may contact me at 617.726.7235 or cgreenberg@bostontrust.com if you have any questions. We look forward to your response.

Sincerely,

Carly Greenberg, CFA
Senior Environmental, Social & Governance Analyst
Walden Asset Management
Boston Trust & Investment Management Company
One Beacon St.
Boston, MA 02108
617.726.7235

## NON-DISCRIMINATION POLICY ON SEXUAL ORIENTATION AND GENDER IDENTITY

**RESOLVED**
Shareholders request that CorVel Corporation (CorVel) amend its written equal employment opportunity (EEO) policy to explicitly prohibit discrimination based on sexual orientation and gender identity or expression.

**SUPPORTING STATEMENT**
CorVel does not explicitly prohibit discrimination based on sexual orientation and gender identity or expression in its written EEO policy. The lack of transparency calls into question the extent to which LGBT (lesbian, gay, bisexual, and transgender) individuals are protected given the absence of a federal law, lack of consensus among federal entities,[1] and inconsistent local laws.

Currently, 20 states, the District of Columbia and more than 225 cities prohibit discrimination in employment on the basis of sexual orientation and gender identity. Two additional states prohibit discrimination based on sexual orientation alone. On the other hand, discrimination against LGBT people may be permissible in the 21 states that have Religious Freedom Restoration Acts. A corporate-wide best practice EEO policy avoids sending mixed signals to company employees and prospective employees, due to inconsistent state policies.

Since LGBT workplace discrimination continues to exist in the US,[2] the requested policy would enhance CorVel's efforts to prevent discrimination and mitigate employee concern of potential discrimination.

An inclusive policy also enhances our company's ability to recruit the most talented employees from the broadest possible labor pool, resolve complaints internally to avoid costly litigation or damage to its reputation, lower employee turnover, and ensure a respectful and supportive work atmosphere that bolsters employee performance.

Public opinion polls consistently find that more than 75% of Americans support equal rights in the workplace. CorVel risks becoming an outlier since businesses are also increasingly supportive of equal employment opportunity regardless of sexual orientation or gender identity. According to the Human Rights Campaign, 82% of the *Fortune 500*® companies had EEO policies that include sexual orientation and gender identity in 2017.

Industry peers such as Aetna, Aon Plc, Brown & Brown, and Marsh & McLennan Companies prohibit discrimination on the basis of sexual orientation and gender identity in their written EEO policies. Leading employers located near CorVel's headquarters' city of Irvine, CA such as Allergan, CoreLogic, and Oculus VR also explicitly prohibit this form of discrimination.

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[1] In 2015, the Equal Employment Opportunity Commission (EEOC) advised that LGBT individuals were protected under "sex" by Title VII of the Civil Rights Act. However, in June 2017, the Justice Department contested the EEOC's guidance in an Amicus Brief to a US Court of Appeals stating explicitly that "Title VII does not reach discrimination based on sexual orientation."

[2] 92% of LGBT individuals surveyed agree that various levels of discrimination persist (Pew Research Center, June 2013). Transgender workers report even more widespread employment discrimination than gay and lesbian workers—up to 56% were fired, up to 47% were denied employment, and up to 31% were harassed based on their gender identity (Williams Institute, July 2011).

Institutional Trust & Custody
425 Walnut Street
Cincinnati, OH 45202

Date: January 18, 2018

To Whom It May Concern:

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U.S. Bank serves as the sub-custodian for Boston Trust and Investment Management Company. U. S. Bank is a DTC participant.

Sincerely,

MWolf

Melissa Wolf
Officer, Client Service Manager
Institutional Trust & Custody

**EXHIBIT C**

## 101 EQUAL EMPLOYMENT OPPORTUNITY

In order to provide equal employment and advancement opportunities to all individuals, CorVel strives to make employment decisions based on merit, qualifications, and abilities. Employment practices will not be influenced or affected by an applicant's or employee's race, color, creed, religion, age, sex, gender, genetic information, national origin, ancestry, citizenship status, physical or mental disability, military service, veteran status or any other classification protected by applicable federal, state, and local laws and ordinances. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, access to facilities and programs, and access to benefits and training.

To the extent required by applicable law, CorVel will endeavor to make reasonable accommodations for qualified individuals with known disabilities, without regard to any protected classifications, unless doing so would result in an undue hardship on the operation of our business. If you believe you need a reasonable accommodation to perform your job duties due to a physical or mental condition, please speak to your supervisor/manager.

Additionally, we respect the sincerely held religious beliefs and practices of all employees and will endeavor to make a reasonable accommodation if those sincerely held religious beliefs or practices conflict with an employee's job unless the accommodation would impose an undue hardship on the operation of our business. Any employee who would like to request an accommodation should contact supervisor/manager.

Any employees with questions or concerns about any type of perceived discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, the Regional Vice President, CEO, or the Corporate Human Resources Director. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of conduct in violation of this policy will be subject to disciplinary action, up to and including termination of employment.