VIA E-MAIL

January 24, 2020

Re: CBRE Group, Inc. Omission of Stockholder Proposal from Proxy Materials Pursuant to Rule 14a-8 under the Securities Exchange Act, as amended

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

Ladies and Gentlemen:

We are filing this letter on behalf of CBRE Group, Inc. (the “Company”) with respect to the stockholder proposal and supporting statement (collectively, the “Proposal”) submitted by the AFL-CIO Reserve Fund (the “Proponent”) for inclusion in the proxy statement and form of proxy to be distributed by the Company in connection with its 2020 Annual Meeting of Stockholders (collectively, the “Proxy Materials”). The Proposal requested that the Board of Directors of the Company (the “Board”) “adopt a policy to require that the Company take the necessary steps to waive its mandatory arbitration requirements for employee claims of sexual harassment unless the Board of Directors concludes, after an evaluation using independent evidence, that mandatory arbitration does not deter reporting of sexual harassment by Company employees.”

For reference below, please note that in December 2018, the Proponent submitted a proposal for consideration by the Company’s stockholders at the Company’s 2019 Annual Meeting of Stockholders (the “2019 Proposal”) requesting that the Board issue a written research report evaluating whether the Company’s existing mandatory arbitration provisions had any effect on the reporting of sexual harassment. The 2019 Proposal failed with approximately 65% of the Company’s stockholders voting on the 2019 Proposal voting against it.

On December 31, 2019, we submitted a letter (the “No Action Request”) to the Staff (the “Staff”) of the Division of Corporation Finance of the Securities and Exchange Commission (the “Commission”) requesting that the Staff not recommend any enforcement action against the Company if it omits the Proposal in its entirety from the Proxy Materials. The No Action Request indicated the Company’s belief that the Proposal could be excluded
from the Proxy Materials in reliance on Rule 14a-8(i)(7) and Rule 14a-(i)(3) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), which, respectively, permit a company to omit from its proxy materials a shareholder proposal that “deals with a matter relating to the company’s ordinary business operations” and “is vague and indefinite and thus inherently misleading.”

On January 22, 2020, the Proponent submitted a letter to the Staff responding to the No Action Request (the “Proponent’s Response Letter”). The Proponent’s Response Letter and accompanying correspondence from the Proponent is attached as Exhibit A hereto.

In response to the Proponent’s Response Letter, the Company wishes to respond to certain of the assertions made by the Proponent and reiterate and expand upon some of the reasons that the Company believes that it may omit the Proposal in its entirety from the Proxy Materials pursuant to Rule 14a-8(i)(7) and Rule 14a-(i)(3) of the Exchange Act.

Pursuant to Rule 14a-8(j) under the Exchange Act, we are simultaneously providing the Proponent with a copy of this submission. The Company will promptly forward to the Proponent any response received from the Staff to this request that the Staff transmits by email or fax only to the Company.

I. The Proposal Seeks to Micromanage the Company by Severely Restricting the Board’s Ability to Exercise Judgment or Discretion with Respect to Employee Relations.

Although the Proponent’s Response Letter claims that that the Proposal does not seek to micromanage the Company “because it does not seek to limit the judgment and discretion of the Board,” the Proposal has been crafted precisely to curtail the Board’s exercise of its judgment and discretion.1 The Proposal does not merely request that the Board undertake a review and exercise its discretion based on the results of that review. Instead, the Proposal instructs the Board to take a specific action with respect to its employee agreements (“waive mandatory arbitration requirements”) unless the Board conducts an evaluation meeting qualifications set forth in the Proposal (“using independent evidence”) and makes the precise finding specified by the Proposal (“mandatory arbitration does not deter reporting of sexual harassment by Company employees”). The Proposal seeks to severely restrict the Board’s ability to make a decision about an ordinary business matter on the basis of what the Board considers to be in the best interest of the Company and its stockholders and instead seeks to substitute the judgment of the Company’s stockholders for that of the Board.

1 Proponent’s Response Letter page 3.
As discussed in the No Action Letter, the Staff has frequently found that a proposal may be excluded when it focuses on ordinary business or matters or attempts to micromanage the company, even if it touches on significant policy issues. The Proponent attempts to rely on the Staff’s findings in CBRE Group Inc. (March 6, 2019) relating to the 2019 Proposal without noting the significant differences between the two proposals—namely that the Proposal seeks to limit the Board’s exercise of judgment and discretion on an ordinary business matter far more than the 2019 Proposal did. Whereas the 2019 Proposal merely asked the Board to issue a written research report evaluating whether the Company’s existing mandatory arbitration provisions had any effect on the reporting of sexual harassment and allowed the Board to exercise discretion on how to address these findings, the current Proposal is far more prescriptive and micromanaging in nature.

II. The Board has Already Examined and Acted on the Significant Policy Issues Raised in the Proposal.

The Proposal and Proponent’s Response Letter acknowledge that in 2019 the Company did undertake a review of its policies as they relate to the prevention of sexual harassment and, as a result, adopted several new initiatives. The policy changes adopted included, but were not limited to, implementing a policy to waive confidentiality in any arbitration proceeding involving sexual harassment or assault and provide claimants with the option to require arbitration awards to be publicly filed with a court. Despite this acknowledgement, the Proponent bizarrely claims that “the Fund’s 2020 Proposal now asks the Board to review this information and make an informed judgement”—precisely the action that the Company undertook in 2019 and described in the No Action Request. The fact that the Proponent submitted the Proposal despite its awareness of the Company’s actions in 2019 underlines the fact that Proponent’s goal is not to cause the Board to exercise its judgment and discretion on a significant policy issue (on which the Board has already acted and continues to engage), but, in fact, to direct the Company in its management of its workforce.

III. The Proposal Remains Vague and Indefinite and Thus Inherently Misleading.

The Proponent’s Response Letter attempts to read discretion for the Board to act into those aspects of the Proposal we noted as being vague in indefinite in the No Action Request despite nothing on the face of the Proposal supporting this reading.² Nowhere does the Proposal mention that the Board is permitted to use its judgment and discretion to interpret the Proposal. Furthermore, Proponent’s argument ignores one of the main reasons the Commission allows the exclusion of stockholder proposals under Rule 14a-(i)(3)—that stockholders should be able to determine with reasonable certainty what actions or measures the proposal requires. See Staff Legal Bulletin No. 14B (Sept. 15, 2004). For the reasons set forth in the No Action Request, it is difficult to see how the Company’s stockholders can be expected to know with any certainty what actions the Proposal contemplates, particularly

if the author of the Proposal intends for the Board to read flexibility and interpretative authority into the Proposal that does not appear either on the face of the Proposal or in Proponent’s supporting statement. In addition, as noted in the No Action Request, the Board has previously considered the matters set forth in the Proposal, which resulted in the actions in 2019 by the Company described in the No Action Letter. For the reasons set forth above and in the No Action Request, we continue to believe that the terms of the Proposal are so vague as to be inherently misleading.

III. Conclusion

For the reasons discussed above, the Company respectfully reiterates its request that the Staff express its intention not to recommend enforcement action if the Proposal is excluded from the Company’s Proxy Materials in reliance on Rule 14a-8(i)(7) and Rule 14a-8(i)(3).

If the Staff disagrees with the Company’s conclusions regarding omission of the Proposal, or if any additional submissions are desired in support of the Company’s position, we would appreciate an opportunity to speak with you by telephone prior to the issuance of the Staff’s Rule 14a-8(j) response.

If you have any questions regarding this request, or need any additional information, please do not hesitate to contact the undersigned at (650) 251-5110 or wbrentani@stblaw.com.

Sincerely,

William Brentani

Enclosure

cc: Laurence Midler, CBRE Group, Inc.
AFL-CIO Reserve Fund
Exhibit A

Copy of Proponent’s Response Letter and Accompanying Correspondence
Dear Sir or Madam,

Please see the attached response letter to the December 31, 2019 request on behalf of CBRE Group, Inc. for no-action relief to exclude the AFL-CIO Reserve Fund's shareholder proposal.

Sincerely,

Brandon Rees
brees@aflcio.org
202-637-5152
Via E-Mail

January 22, 2020

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

Re: CBRE Group, Inc.’s Request to Exclude a Shareholder Proposal Submitted by the AFL-CIO Reserve Fund

Dear Sir or Madam:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the AFL-CIO Reserve Fund (the “Fund”) submitted a shareholder proposal (the “Proposal”) to CBRE Group, Inc. (the “Company”). In a letter to the staff of the Division of Corporation Finance (the “Division Staff”) dated December 31, 2019 (the “No-Action Request”), the Company stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company’s 2020 annual meeting of shareholders.

The Company argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with the Company’s ordinary business operations, and on Rule 14a-(i)(3) by arguing that the Proposal is vague and indefinite and thus inherently misleading. As discussed more fully below, the Company has not met its burden of proving its entitlement to exclude the Proposal in reliance on Rule 14a-8(i)(7) or Rule 14a-(i)(3), and the Fund respectfully requests that the Company’s request for relief be denied.

The Proposal

The Proposal states:

“RESOLVED: Shareholders of CBRE Group, Inc. (the “Company”) request that the Board of Directors adopt a policy to require that the Company take the necessary steps to waive its mandatory arbitration requirements for employee claims of sexual harassment unless the Board of Directors concludes, after an evaluation using independent evidence, that mandatory arbitration does not deter reporting of sexual harassment by Company employees.”
The Proposal Addresses a Social Policy Issue that Transcends Ordinary Business

Rule 14a-8(i)(7) permits companies to omit any shareholder proposal from their proxy materials that "deals with a matter relating to the company’s ordinary business operations." The Company claims the Proposal is excludable under Rule 14a-8(i)(7) because it relates to the Company’s management of its workforce. As explained below, the Company’s request for relief should be denied because the issue of mandatory arbitration of sexual harassment claims is a significant social policy issue that transcends ordinary business matters.

The No-Action Request reiterates the same Rule 14a-8(i)(7) arguments that the Company unsuccessfully made in its CBRE Group Inc. (March 6, 2019) request to exclude the Fund’s shareholder proposal for the 2019 annual meeting. As in the Fund’s 2019 annual meeting proposal, the Fund’s current Proposal addresses the subject matter of mandatory arbitration of sexual harassment claims. Then as now, the Company argued that the proposal is excludable because it relates to the ordinary business matter of managing the company’s workforce.

In CBRE Group Inc. (March 6, 2019), the Division Staff recognized that the issue of mandatory arbitration of sexual harassment claims has become a significant social policy issue that transcends ordinary business as a result of the #MeToo movement:

> 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).

The Company’s No Action Request makes no effort to distinguish or rebut the Division Staff’s response letter in CBRE Group Inc. (March 6, 2019). In fact, the Company’s No Action Request entirely ignores the Division Staff’s views in CBRE Group Inc. (March 6, 2019).

Events over the past year since CBRE Group Inc. (March 6, 2019) was issued show that the topic of mandatory arbitration of sexual harassment claims is an even more significant social policy issue today. Mandatory arbitration of sexual harassment claims continues to be the subject of extensive news and editorial coverage.1 Recently published legal research has identified mandatory arbitration as a barrier to employee claims of sexual harassment.2 Even the mandatory

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arbitration of sexual harassment allegations against former Fox News CEO Roger Ailes has been
dramatized by Hollywood in the Academy Award nominated 2019 movie Bombshell.³

The significance of mandatory arbitration of sexual harassment claims as a social policy issue is
further illustrated by recent legislative efforts to prohibit the practice. Federal legislation has
been introduced to limit the applicability of mandatory arbitration policies to sexual harassment
claims (S. 1082, H.R. 2148). In 2019, Congress also held hearings on mandatory arbitration
policies and their impact on sexual harassment claims.⁴ State legislators also introduced bills
seeking to limit mandatory arbitration of employee sexual harassment claims, including the
enactment of legislation in New York (S. 6577) and California (AB-51).

The only shareholder proposals cited by the Company that specifically pertain to mandatory
arbitration of employee claims are easily distinguished from the Fund’s current Proposal and the
proposal in CBRE Group Inc. (March 6, 2019). Amazon.com, Inc. (March 6, 2019), Yum!
Brands, Inc. (March 6, 2019) and XPO Logistics, Inc. (March 6, 2019) sought a ban on any
“Inequitable Employment Practice” that was broadly defined to include mandatory arbitration
policies, non-compete agreements, non-raid agreements, and nondisclosure agreements. The
subject matter of these proposals was not limited to sexual harassment claims.

In contrast to the “Inequitable Employment Practice” proposals cited by the Company, the
subject matter of the Fund’s current Proposal is narrowly tailored to address sexual harassment
and mandatory arbitration, a significant social policy matter that transcends ordinary business.
Accordingly, the Company should not be permitted to exclude the Proposal from its proxy
materials pursuant to Rule 14a-(i)(7) for the same reasons that the Division Staff declined to
exclude the Fund’s proposal on the same subject matter in CBRE Group Inc. (March 6, 2019).

Nor does the Proposal seek to micromanage the Company. The Proposal asks the Board of
Directors to waive the use of mandatory arbitration policies unless the Board makes a
determination that such policies do not deter reporting of sexual harassment. Accordingly, the
Proposal is not overly prescriptive because it does not seek to limit the judgment and discretion
of the Board. Under the Proposal, the Company is free to continue to require mandatory
arbitration of sexual harassment claims after the Board conducts the requested review.

The Company does not provide a Board analysis of the “delta” between what the Company has
done and the Proposal’s requested policy. The Company’s No Action Request references a new
“Global Policy on Sexual Misconduct” that was purportedly introduced in December 2019 as
well as a new “Reporter Support Unit” to be introduced in 2020. However, the Company’s No

Eliana Dockterman, “The True Story Behind Bombshell and the Fox News Sexual Harassment
Scandal,” Time, December 16, 2109.
⁴ “Justice Denied: Forced Arbitration and the Erosion of our Legal System,” Hearing of the
Subcommittee on Antitrust, Commercial, and Administrative Law, Committee on the Judiciary,
Action Request does not provide any details regarding these changes, and they do not appear to be publicly available on the Company’s website or the Company’s recent SEC filings.

While the Fund acknowledges that the Company has taken steps to implement the Fund’s 2019 proposal that requested a report to shareholders, the Fund’s 2020 Proposal now asks the Board to review this information and make an informed judgement. As explained in the supporting statement, the Fund recommends this additional step in light of the Company’s disclosure that in 2018 the Company investigated only 50 reports of sexual harassment and did not have any arbitrations regarding sexual harassment (out of a global workforce of 90,000 employees). 5

The Proposal is Not Vague and Indefinite and Thus Inherently Misleading

The Company’s No Action letter also erroneously claims that the Proposal may be excluded under Rule 14a-8(i)(3) because it is contrary to Rule 14a-9 which prohibits materially false or misleading statements. As explained below, the Proposal’s text is not vague and indefinite and therefore the Proposal is not inherently misleading. The Proposal simply asks the Board to take the necessary steps to waive its mandatory arbitration policies until the Board determines that such policies do not deter reporting of sexual harassment by Company employees.

The plain language of the Proposal makes clear that the Board is being asked to “take the necessary steps” to implement the requested policy. A straightforward reading of this phrase is that the Board is being asked to use its judgment and discretion to apply the requested policy to the various scenarios that are imagined by the No Action Request. Had the Proposal attempted to address all the possible iterations of how the policy would apply in every hypothetical scenario, the Proposal would be excludable under Rule 14a-8(i)(7) for micromanagement.

Secondly, the Proposal’s request that the Board make its determination “after an evaluation using independent evidence” does not make the Proposal vague or indefinite. Rather, the Proposal simply asks the Board to consider independent sources of information to make an informed decision. Such independent information could include climate surveys of the Company’s employees or the advice of independent experts such as RAINN. The Proposal contemplates that the Board will use its judgment and discretion to identify these sources of independent evidence.

Finally, the Proposal’s request that the Board make a determination “that mandatory arbitration does not deter reporting of sexual harassment by Company employees” is not vague or indefinite. The Proposal contemplates that the Board will use its judgment and discretion to determine whether reports of sexual harassment are being deterred. Specifying a specific degree or level of “deterrence” is precisely the type of micromanaging matters of a complex nature that the Division Staff discouraged in Staff Legal Bulletin No. 14K.

Conclusion

For the forgoing reasons, the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal from its proxy materials under Rule 14a-8(i)(7) or Rule 14a-8(i)(3). As the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal, the Proposal should come before the Company’s shareholders.

The Company’s No Action Letter requests that the Division Staff speak with the Company by telephone prior to the issuance of a response if the Division Staff disagrees with the Company’s analysis that the Proposal may be excluded. The Fund requests to be included in any ex parte conversations between the Division Staff and the Company. If you have any questions or need additional information, please contact me at (202) 637-5152 or bree@ aflcio.org.

Sincerely,

Brandon J. Rees
Deputy Director, Corporations and Capital Markets

cc: William Brentani, Simpson Thacher & Bartlett LLP
Via E-Mail

January 22, 2020

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

Re: CBRE Group, Inc.’s Request to Exclude a Shareholder Proposal Submitted by the AFL-CIO Reserve Fund

Dear Sir or Madam:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the AFL-CIO Reserve Fund (the “Fund”) submitted a shareholder proposal (the “Proposal”) to CBRE Group, Inc. (the “Company”). In a letter to the staff of the Division of Corporation Finance (the “Division Staff”) dated December 31, 2019 (the “No-Action Request”), the Company stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company’s 2020 annual meeting of shareholders.

The Company argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with the Company’s ordinary business operations, and on Rule 14a-(i)(3) by arguing that the Proposal is vague and indefinite and thus inherently misleading. As discussed more fully below, the Company has not met its burden of proving its entitlement to exclude the Proposal in reliance on Rule 14a-8(i)(7) or Rule 14a-(i)(3), and the Fund respectfully requests that the Company’s request for relief be denied.

The Proposal

The Proposal states:

“RESOLVED: Shareholders of CBRE Group, Inc. (the “Company”) request that the Board of Directors adopt a policy to require that the Company take the necessary steps to waive its mandatory arbitration requirements for employee claims of sexual harassment unless the Board of Directors concludes, after an evaluation using independent evidence, that mandatory arbitration does not deter reporting of sexual harassment by Company employees.”
The Proposal Addresses a Social Policy Issue that Transcends Ordinary Business

Rule 14a-8(i)(7) permits companies to omit any shareholder proposal from their proxy materials that “deals with a matter relating to the company’s ordinary business operations.” The Company claims the Proposal is excludable under Rule 14a-8(i)(7) because it relates to the Company’s management of its workforce. As explained below, the Company’s request for relief should be denied because the issue of mandatory arbitration of sexual harassment claims is a significant social policy issue that transcends ordinary business matters.

The No-Action Request reiterates the same Rule 14a-8(i)(7) arguments that the Company unsuccessfully made in its CBRE Group Inc. (March 6, 2019) request to exclude the Fund’s shareholder proposal for the 2019 annual meeting. As in the Fund’s 2019 annual meeting proposal, the Fund’s current Proposal addresses the subject matter of mandatory arbitration of sexual harassment claims. Then as now, the Company argued that the proposal is excludable because it relates to the ordinary business matter of managing the company’s workforce.

In CBRE Group Inc. (March 6, 2019), the Division Staff recognized that the issue of mandatory arbitration of sexual harassment claims has become a significant social policy issue that transcends ordinary business as a result of the #MeToo movement:

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).

The Company’s No Action Request makes no effort to distinguish or rebut the Division Staff’s response letter in CBRE Group Inc. (March 6, 2019). In fact, the Company’s No Action Request entirely ignores the Division Staff’s views in CBRE Group Inc. (March 6, 2019).

Events over the past year since CBRE Group Inc. (March 6, 2019) was issued show that the topic of mandatory arbitration of sexual harassment claims is an even more significant social policy issue today. Mandatory arbitration of sexual harassment claims continues to be the subject of extensive news and editorial coverage.1 Recently published legal research has identified mandatory arbitration as a barrier to employee claims of sexual harassment.2 Even the mandatory

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The arbitration of sexual harassment allegations against former Fox News CEO Roger Ailes has been dramatized by Hollywood in the Academy Award nominated 2019 movie Bombshell.\(^3\)

The significance of mandatory arbitration of sexual harassment claims as a social policy issue is further illustrated by recent legislative efforts to prohibit the practice. Federal legislation has been introduced to limit the applicability of mandatory arbitration policies to sexual harassment claims (S. 1082, H.R. 2148). In 2019, Congress also held hearings on mandatory arbitration policies and their impact on sexual harassment claims.\(^4\) State legislators also introduced bills seeking to limit mandatory arbitration of employee sexual harassment claims, including the enactment of legislation in New York (S. 6577) and California (AB-51).

The only shareholder proposals cited by the Company that specifically pertain to mandatory arbitration of employee claims are easily distinguished from the Fund’s current Proposal and the proposal in CBRE Group Inc. (March 6, 2019). Amazon.com, Inc. (March 6, 2019), Yum! Brands, Inc. (March 6, 2019) and XPO Logistics, Inc. (March 6, 2019) sought a ban on any “Inequitable Employment Practice” that was broadly defined to include mandatory arbitration policies, non-compete agreements, non-raid agreements, and nondisclosure agreements. The subject matter of these proposals was not limited to sexual harassment claims.

In contrast to the “Inequitable Employment Practice” proposals cited by the Company, the subject matter of the Fund’s current Proposal is narrowly tailored to address sexual harassment and mandatory arbitration, a significant social policy matter that transcends ordinary business. Accordingly, the Company should not be permitted to exclude the Proposal from its proxy materials pursuant to Rule 14a-(i)(7) for the same reasons that the Division Staff declined to exclude the Fund’s proposal on the same subject matter in CBRE Group Inc. (March 6, 2019).

Nor does the Proposal seek to micromanage the Company. The Proposal asks the Board of Directors to waive the use of mandatory arbitration policies unless the Board makes a determination that such policies do not deter reporting of sexual harassment. Accordingly, the Proposal is not overly prescriptive because it does not seek to limit the judgment and discretion of the Board. Under the Proposal, the Company is free to continue to require mandatory arbitration of sexual harassment claims after the Board conducts the requested review.

The Company does not provide a Board analysis of the “delta” between what the Company has done and the Proposal’s requested policy. The Company’s No Action Request references a new “Global Policy on Sexual Misconduct” that was purportedly introduced in December 2019 as well as a new “Reporter Support Unit” to be introduced in 2020. However, the Company’s No Action Request does not provide a Board analysis of the “delta” between what the Company has done and the Proposal’s requested policy.

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Action Request does not provide any details regarding these changes, and they do not appear to be publicly available on the Company’s website or the Company’s recent SEC filings.

While the Fund acknowledges that the Company has taken steps to implement the Fund’s 2019 proposal that requested a report to shareholders, the Fund’s 2020 Proposal now asks the Board to review this information and make an informed judgement. As explained in the supporting statement, the Fund recommends this additional step in light of the Company’s disclosure that in 2018 the Company investigated only 50 reports of sexual harassment and did not have any arbitrations regarding sexual harassment (out of a global workforce of 90,000 employees).5

The Proposal is Not Vague and Indefinite and Thus Inherently Misleading

The Company’s No Action letter also erroneously claims that the Proposal may be excluded under Rule 14a-8(i)(3) because it is contrary to Rule 14a-9 which prohibits materially false or misleading statements. As explained below, the Proposal’s text is not vague and indefinite and therefore the Proposal is not inherently misleading. The Proposal simply asks the Board to take the necessary steps to waive its mandatory arbitration policies until the Board determines that such policies do not deter reporting of sexual harassment by Company employees.

The plain language of the Proposal makes clear that the Board is being asked to “take the necessary steps” to implement the requested policy. A straightforward reading of this phrase is that the Board is being asked to use its judgment and discretion to apply the requested policy to the various scenarios that are imagined by the No Action Request. Had the Proposal attempted to address all the possible iterations of how the policy would apply in every hypothetical scenario, the Proposal would be excludable under Rule 14a-8(i)(7) for micromanagement.

Secondly, the Proposal’s request that the Board make its determination “after an evaluation using independent evidence” does not make the Proposal vague or indefinite. Rather, the Proposal simply asks the Board to consider independent sources of information to make an informed decision. Such independent information could include climate surveys of the Company’s employees or the advice of independent experts such as RAINN. The Proposal contemplates that the Board will use its judgment and discretion to identify these sources of independent evidence.

Finally, the Proposal’s request that the Board make a determination “that mandatory arbitration does not deter reporting of sexual harassment by Company employees” is not vague or indefinite. The Proposal contemplates that the Board will use its judgment and discretion to determine whether reports of sexual harassment are being deterred. Specifying a specific degree or level of “deterrence” is precisely the type of micromanaging matters of a complex nature that the Division Staff discouraged in Staff Legal Bulletin No. 14K.

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Conclusion

For the forgoing reasons, the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal from its proxy materials under Rule 14a-8(i)(7) or Rule 14a-8(i)(3). As the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal, the Proposal should come before the Company's shareholders.

The Company’s No Action Letter requests that the Division Staff speak with the Company by telephone prior to the issuance of a response if the Division Staff disagrees with the Company’s analysis that the Proposal may be excluded. The Fund requests to be included in any ex parte conversations between the Division Staff and the Company. If you have any questions or need additional information, please contact me at (202) 637-5152 or brees@aflcio.org.

Sincerely,

Brandon J. Rees
Deputy Director, Corporations and Capital Markets

cc: William Brentani, Simpson Thacher & Bartlett LLP
VIA E-MAIL

December 31, 2019

Re: CBRE Group, Inc. Omission of Stockholder Proposal from Proxy Materials Pursuant to Rule 14a-8 under the Securities Exchange Act, as amended

Officer of Chief Counsel
Division of Corporate Finance
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

Ladies and Gentlemen:

We are filing this letter on behalf of CBRE Group, Inc. (“CBRE” or the “Company”) with respect to the stockholder proposal and supporting statement (collectively, the “Proposal”) submitted by the AFL-CIO Reserve Fund (the “Proponent”) for inclusion in the proxy statement and form of proxy to be distributed by the Company in connection with its 2020 Annual Meeting of Stockholders (collectively, the “Proxy Materials”). A copy of the Proposal and accompanying correspondence from the Proponent is attached as Exhibit A hereto. For the reasons stated below, we respectfully request that the Staff (the “Staff”) of the Division of Corporation Finance of the Securities and Exchange Commission (the “Commission”) not recommend any enforcement action against the Company if it omits the Proposal in its entirety from the Proxy Materials.

Pursuant to Staff Legal Bulletin No. 14D (November 7, 2008) (“SLB 14D”), we are submitting this request for no-action relief to the Staff via e-mail at stockholderproposals@sec.gov, and the undersigned has included his name and telephone number both in this letter and in the cover e-mail accompanying this letter. Pursuant to Rule 14a-8(j) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), we are:

1. filing this letter with the Commission no later than 80 calendar days before the date on which the Company plans to file its definitive Proxy Materials with the Commission; and
2. simultaneously providing the Proponent with a copy of this submission.

Rule 14a-8(k) of the Exchange Act and SLB 14D provide that a stockholder proponent is required to send the company a copy of any correspondence that such proponent elects to submit to the Commission or the Staff. Accordingly, we hereby inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff relating to the Proposal, the Proponent must concurrently furnish a copy of that correspondence to the Company. Similarly, the Company will promptly forward to the Proponent any response received from the Staff to this request that the Staff transmits by email or fax only to the Company.

I. The Proposal

On December 4, 2019, the Company received the Proposal, which sets forth the following resolution for adoption by the Company's stockholders:

"RESOLVED: Shareholders of CBRE Group, Inc. (the "Company") request that the Board of Directors adopt a policy to require that the Company take the necessary steps to waive its mandatory arbitration requirements for employee claims of sexual harassment unless the Board of Directors concludes, after an evaluation using independent evidence, that mandatory arbitration does not deter reporting of sexual harassment by Company employees.

SUPPORTING STATEMENT:

At our Company's annual meeting in May 2019, 35 percent of voting shareholders voted in favor of a shareholder proposal requesting a written report evaluating whether our Company's existing arbitration provisions for its employees had any effect on the reporting of sexual harassment. We recognize that the Company has responded to this vote by addressing the topic of sexual harassment and mandatory arbitration in its Corporate Responsibility Report.

After the 2019 annual meeting, our Company also announced that it will waive the confidentiality requirements contained in its employee arbitration agreements, and that reporters of sexual harassment will have the option to have their arbitration award made public in a court filing if they so choose. We commend the Company for making these changes which we believe will help remedy society's historic culture of silence surrounding sexual harassment.

While we acknowledge that the Company has taken steps to enhance transparency regarding sexual harassment claims, we are concerned that employees may be deterred from pursuing mandatory arbitration of such claims. The Company's Corporate Responsibility Report has disclosed that in 2018, the Company investigated 50 reports of sexual harassment and found violations in 29 of those cases, but did not have any arbitrations regarding sexual harassment.
In the Company’s Corporate Responsibility Report, the Company appropriately acknowledges that sexual harassment is underreported in almost every organization including potentially at the Company. Despite the changes that the Company has recently made, we remain concerned that requiring mandatory arbitration of sexual harassment claims may deter reporting by employees. We believe that the Company should proactively waive arbitration requirements for such claims.

The #MeToo movement has brought the issue of mandatory arbitration of sexual harassment claims into the spotlight. As our Company has acknowledged, preventing sexual harassment is critical to creating an inclusive and diverse workplace. Removing sexual harassment claims from the Company’s mandatory arbitration requirements will place our Company in the same league as other companies that have made this change including Microsoft, Google, and Facebook.

For these reasons, we urge you to vote FOR this proposal.”

II. Basis for Exclusion

The Company respectfully requests the Staff’s concurrence that the Company may exclude the Proposal from its Proxy Materials in reliance on:

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

- Rule 14a-8(i)(3) because the Proposal is vague and indefinite and thus inherently misleading.

III. Background

In 2019, the Proponent submitted a proposal (the “2019 Proposal”) for the Company’s stockholders to consider at the Company’s 2019 Annual Meeting of Stockholders, requesting that the Company’s Board of Directors (the “Board”) issue a written research report evaluating whether the Company’s existing mandatory arbitration provisions had any effect on the reporting of sexual harassment. The 2019 Proposal failed with approximately 65% of the Company’s stockholders voting on the 2019 Proposal voting against it.

This year, the Proponent has returned with a Proposal that is even more aggressive and prospective than the 2019 Proposal. This year, instead of merely asking the Board to study the impact of mandatory arbitration provisions on sexual harassment reporting, the Proponent directs the Board to waive all such provisions in cases of alleged sexual harassment unless the Board is able to conclude, using independent evidence, that such provisions do not deter reporting of sexual harassment by Company employees.
The Company regularly engages with its stockholders on a number of issues. After receiving the 2019 Proposal, management from the Company had substantive discussions with the Proponent by telephone and indicated that it was willing to have further discussions and negotiate a mutually satisfactory resolution of the Proponent’s concerns. However, the Proponent indicated that it wished to move forward with the 2019 Proposal without seeing the Company’s proposal for a negotiated settlement. In addition, management reached out to a number of large stockholders both before and after the Company’s 2019 Annual Meeting of Stockholders to discuss and solicit opinions on various matters, including the subject of the 2019 Proposal. As recently as November 2019, the Company approached stockholders holding over a majority of the Company’s outstanding shares in aggregate to invite discussions about governance and other matters affecting the Company, including where such stockholders indicated an interest, the Company’s mandatory arbitration provisions.

The Company has always had strong policies against sexual harassment in each jurisdiction where it operates and the Board is well informed on and deeply committed to addressing these issues. The Company’s policies for the prevention of sexual harassment are thoughtfully designed to comply with local laws and other considerations to ensure that every employee is treated with the dignity and respect they deserve and are not subjected to offensive or degrading behavior. The Company’s policies describe the conduct that is prohibited, establish procedures for raising concerns and reporting violations and define the roles and expectations within the Company for handling reporting, investigation, follow-up and resolution of reported incidents.

The result of the Company’s ongoing review of its policies for the protection of its workforce as well as input from stockholders was that in 2019, the Company took a number of steps to further strengthen its anti-harassment programs and encourage reporting by its employees. Specifically with respect to mandatory arbitration, the Company decided to adopt a policy to waive confidentiality in any arbitration proceeding involving sexual harassment or assault and provide claimants with the option to require arbitration awards to be publicly filed with a court. The Company has also committed to publishing annually the aggregate number of sexual harassment or assault complaints brought forward, the number of such reports that are substantiated by investigation and data regarding the resulting outcomes, including disciplinary actions, starting with the data published in the Company’s 2018 Corporate Responsibility Report.

Following the release of the 2018 Corporate Responsibility Report, the Proponent called the Company and acknowledged the modifications made to the Company’s

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arbitration provisions and its transparency in releasing the 2018 Corporate Responsibility Report, but continued to express concerns about mandatory arbitration broadly.

In addition, the Company engaged the Rape Abuse and Incest National Network ("RAINN") to review the Company's policies regarding sexual misconduct and investigations and make recommendations to result in an action plan to further strengthen the Company’s anti-harassment programs. Based in part of RAINN’s review, in December 2019, the Company introduced a single Global Policy on Sexual Misconduct to supplement its existing policies and provide detailed information on the reporting channels, investigation process and disciplinary actions for violations. As the Company’s Chief Ethics & Compliance Officer said in an internal announcement that rolled out the new global policy, “CBRE does not tolerate sexual misconduct. While prevention is always the best remedy, when that fails, we need a strong and consistent global policy to define how we identify, investigate and discipline sexual misconduct. That’s exactly what this new policy does. Our hope is that this will make our employees feel even more comfortable recognizing and reporting misconduct in any form.” Furthermore, the Company plans to roll out a Reporter Support Unit beginning in the United States and Canada in early 2020 to assist the alleged victims of sexual misconduct through the investigatory process and serve as an ally for the victim and/or reporter through the reporting process.

The Company believes that all of the efforts it has made as detailed above, combined with its existing strong policies and practices, make the Company a leader in addressing harassment concerns in the marketplace, as has been publicly acknowledged through several awards it has received, such as inclusion on Forbes’ lists of Best Employers for Women (2019) and America’s Best Employers for Diversity (2018 and 2019), Ethisphere Institute’s World’s Most Ethical Company list (2013-2019), the Dow Jones Sustainability World Index (2019), the Dow Jones Sustainability Index – North America (2013-2019) and Fortune’s list of Most Admired Companies (2012-2019).

IV. Analysis

A. The Proposal is Excludable Under Rule 14a-8(i)(7) Because It Deals with Matters Relating to the Company’s Ordinary Business Operations

The Company respectfully requests the Staff’s concurrence that the Company may exclude the Proposal from its Proxy Materials in reliance on Rule 14a-8(i)(7), which permits a company to omit from its proxy materials a stockholder proposal that “deals with a matter relating to the company’s ordinary business operations.” The Proposal seeks to proscribe how the Company should contract with and manage its workforce and asks the Company’s stockholders to micro-manage the Company by mandating a change to complex and sensitive policies.

According to the Commission, 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

In the 1998 Release, the Commission identified two central considerations that underlie this policy. 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, as a practical matter, be subject to direct shareholder oversight.” *Id.* Examples cited by the Commission include “management of the workforce, such as the hiring, promotion, and termination of employees.” *Id.* The second consideration relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). The 1998 Release further states that a proposal may be seen as seeking to micro-manage a company “where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” *Id.* As discussed below, the Proposal may be excluded under Rule 14a-8(i)(7) because it implicates both of the above-described considerations.

The Commission has recognized that “proposals relating to [ordinary business] matters but focusing on sufficiently significant social policy issues . . . generally would not be considered to be excludable.” The 1998 Release. Elaborating on this significant policy exception in Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“SLB 14E”), the Staff noted that “[i]n 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.” The Staff further stated that “[c]onversely, 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).” The significant policy exception is further limited in that, proposals relating to both ordinary business matters and significant social policy issues may be excludable in their entirety in reliance on Rule 14a-8(i)(7) if they do not “transcend the day-to-day business matters” discussed in the proposals. The Staff considers “both the proposal and the supporting statement as a whole” in determining whether a significant social policy issue exists. Staff Legal Bulletin No. 14C (June 28, 2005) (“SLB 14C”). The issues addressed by the Proposal do not give rise to a significant policy issue.

Similarly, the Staff has also concurred that a proposal requesting adoption of a policy is excludable if the underlying subject matter pertains to ordinary business. See *The TJX Companies, Inc.* (Apr. 16, 2018) (concurring in the exclusion under Rule 14a-8(i)(7) of a proposal requesting the company adopt “a new universal and comprehensive animal welfare policy applying to all of the [c]ompany’s stores, merchandise and suppliers” because the proposal related to ordinary business operations); *Time Warner Inc. (Ridenour)* (Mar. 13,
2018) (concurring in the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company “adopt a policy requiring that the Company’s news operations tell the truth, and issue an annual report to shareholders explaining instances where the Company failed to meet this basic journalistic obligation” because the proposal related to ordinary business operations); and The Walt Disney Co. (Dec. 12, 2017) (exclusion of a proposal the same as that in Time Warner, supra, on the same basis).

I. The Proposal is Excludable Because It Relates to the Ordinary Business Matter of Managing the Company’s Workforce

The Commission has long held that stockholder proposals relating to the management of the company’s workforce or workplace environment, including the relationship with its employees, are excludable under Rule 14a-8(i)(7). In the 1998 Release, the Commission stated that the “management of the workforce, such as the hiring, promotion, and termination of employees” constituted “tasks...so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” When a stockholder proposal seeks to infringe upon the relationship between a company’s management and its employees, it is interfering with the management’s right to conduct its ordinary business practices.

The Staff has consistently concurred that proposals relating to the management of a company’s workforce are excludable under Rule 14a-8(i)(7). For example, a proposal in Walmart, Inc. (Apr. 4, 2019) requested that the board evaluate the risk of discrimination that may result from [the company’s] policies and practices of hourly workers taking absences from work for personal or family illness. The Staff concurred that the proposal could be excluded under Rule 14a-8(i)(7) because it dealt with “management of [the company’s workforce].” See also Merck & Co., Inc. (Mar. 6, 2015) (concurring in the exclusion of a proposal relating to the source of candidates considered for company positions because it related to “procedures for hiring and training employees”); Starwood Hotels & Resorts Worldwide, Inc. (Feb. 14, 2012) (concurring in the exclusion of a proposal requesting citizenship verification and documentation for the company’s workforce because it concerned “procedures for hiring and training employees”); Berkshire Hathaway Inc. (Jan. 31, 2012) (concurring in the exclusion of a proposal mandating the dismissal of employees who engaged in behavior that would create a conflict of interest, “constitut[ e] cause [for dismissal]” or violate certain other principles specified in the proposal because it dealt with “management of [the company’s workforce]”); National Instruments Corporation (Mar. 5, 2009) (concurring in the exclusion of a proposal requesting the board to adopt and disclose a succession planning policy, as it related to the company’s “ordinary business operations (i.e., the termination, hiring or promotion of employees)’’); Northrop Grumman Corp. (Mar. 18, 2010) (concurring that a proposal requesting that the board identify and modify procedures to improve the visibility of educational status in the company’s reduction-in-force review process could be excluded, noting that “[p]roposals concerning a company’s management of its workforce are generally excludable under [R]ule 14a-8(i)(7)”); Wells Fargo & Co. (Feb. 22, 2008) (concurring in the exclusion of a proposal requesting a policy
stating that the company would not employ individuals who worked at a credit rating agency within the last year could be excluded because it related to “ordinary business operations (i.e., the termination, hiring, or promotion of employees)”; Consolidated Edison, Inc. (Feb. 24, 2005) (concurring in the exclusion of a proposal requesting the termination of certain supervisors because it related to “the termination, hiring, or promotion of employees”); Allegheny Energy, Inc. (Mar. 3, 2003) (concurring in the exclusion of a proposal requesting removal of certain officers because it related to “ordinary business operations (i.e., the termination, hiring, or promotion of employees)”; Merck & Co., Inc. (Mar. 7, 2002) (concurring in the exclusion of a proposal that the company keep stockholders informed regarding the resolution of employment disputes because it related to the company’s “management of the workforce”); and Burlington National Santa Fe Corp. (Feb. 15, 2000) (concurring in the exclusion of a proposal relating to employment policies because it related to “management of the workforce”).

In addition, the Staff has consistently concurred in the exclusion of proposals under Rule 14a-8(i)(7) that request the adoption of policies concerning a company’s employees. For example, in Amazon.com, Inc. (Mar. 6, 2019) the Staff concurred in the exclusion of a proposal requesting that the board adopt a policy that the Company will not engage in any “Inequitable Employment Practice,” including mandatory arbitration of employment-related claims. The Staff noted that the proposal related to the Company’s “policies concerning its employees.” See also Yum! Brands, Inc. (Mar. 6, 2019) (exclusion of a proposal the same as that in Amazon.com, supra, on the same basis); XPO Logistics, Inc. (Mar. 6, 2019) (exclusion of a proposal the same as that in Amazon.com, supra, on the same basis); Bristol-Myers Squibb Co. (Jan. 7, 2015) (concurring in the exclusion of a proposal requesting that the board consider adoption of anti-discrimination principles concerning employees’ right to engage in legal activities relating to the political process on their personal time); YUM! Brands, Inc. (Jan. 7, 2015) (exclusion of a proposal the same as that in Bristol-Myers, supra, on the same basis); The Walt Disney Co. (Nov. 24, 2014, recon. denied Jan. 5, 2015) (concurring in the exclusion of a proposal requesting that the board consider adopting “anti-discrimination principles that protect employees’ human right to engage in legal activities relating to the political process, civic activities and public policy without retaliation in the workplace” because the proposal related to the company’s “policies concerning its employees”); and Costco Wholesale Corp. (Nov. 14, 2014, recon. denied Jan. 5, 2015) (concurring in the exclusion of a proposal requesting adoption of a company-wide Code of Conduct including an anti-discrimination policy that protects employees’ right to engage in political and civic activities).

The Staff also has previously concurred that proposals addressing settlement terms in the employment litigation context are excludable under Rule 14a-8(i)(7). In Point Blank Solutions, Inc. (Mar. 10, 2008, recon. denied Mar. 20, 2008), the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company reject a settlement in a suit against former employees unless certain settlement terms were met. The Staff noted that the proposal related to the company’s “ordinary business operations (i.e., litigation strategy and related decisions).”
As discussed above under the heading “Background,” the Proponent submitted the 2019 Proposal for the Company’s stockholders to consider at the Company’s 2019 Annual Meeting of Stockholders, requesting that the Company’s Board issue a written research report evaluating whether the Company’s existing mandatory arbitration provisions had any effect on the reporting of sexual harassment. Approximately 65% of the Company’s stockholders who voted on the 2019 Proposal rejected it. Notwithstanding the failure of the 2019 Proposal, following the Company’s 2019 Annual Meeting of Stockholders, the Company voluntarily decided to waive confidentiality in any arbitration proceeding involving sexual harassment or assault and to provide claimants with the option to require arbitration awards to be publicly filed with a court. In addition, it engaged RAINN to review its policies, introduced the Global Policy on Sexual Misconduct to supplement its existing policies, prepared to launch the Reported Support Unit and released its 2018 Corporate Responsibility Report, each as discussed in further detail above in “Background.”

Despite the Company’s stockholders rejection of the 2019 Proposal and the steps the Company has already taken with regard to mandatory arbitration and protection against sexual harassment, the Proponent has returned with a Proposal that pries even further than the 2019 Proposal into the Company’s ordinary business matters. Whereas the 2019 Proposal merely asked the Board to prepare a report on the impact of mandatory arbitration policies on sexual harassment claims and gave the Board discretion on how to handle the findings of such a report, the Proposal requests that the Company “adopt a policy to require that the Company take the necessary steps to waive its mandatory arbitration requirements for employee claims of sexual harassment” unless the Board makes certain findings dictated by the Proposal.

For the purposes of Rule 14a-8(i)(7), the relevant inquiry is whether the underlying subject matter involves a matter of the Company’s ordinary business. The agreements and policies governing the relationships between and among the Company and its employees are fundamental to the management of the Company’s workforce. The mandatory arbitration provisions at issue are contained in the Company’s employment agreements and employee offer letters. The Proposal seeks to direct the Company on how to contract with and handle disputes with or among its workforce and manage employees; thus, the Proposal involves ordinary business matters.

The Proposal directly relates to the Company’s employment agreements, policies and practices and employee relations. The Company employs over 100,000 employees and operates in more than 100 countries. The relationships between these employees and the Company, as well as the handling of disputes and claims with and among employees are governed by a variety of employment agreements, policies and practices, all of which are from time to time evaluated by the Company’s management with the help of local subject matter experts. Furthermore, in some jurisdictions these agreements are governed by agreements negotiated with local unions or works councils. The relationship between the Company and its employees constitutes a critical component of its day-to-day
management. Further, the Company's workplace environment is fundamentally related to its ordinary business operations. These are fundamental business matters for the Company's management and require an understanding of the business implications that could result from changes made. Accordingly, because the Proposal seeks to affect the relationship between the Company and its employees by asking the Company to change its employment agreements, policies and practices with respect to dispute resolution, the Proposal affects the Company's day-to-day business operations and we respectfully request that the Staff concur in our view that it is excludable under Rule 14a-8(i)(7).

2. The Proposal is Excludable Because It Seeks to Micro-manage the Company by Mandating a Change to Complex Policies

In considering whether a proposal falls within the scope of Rule 14a-8(i)(7), the 1998 Release stated that the Staff would consider "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The Staff further clarified that a proposal could "probe too deeply" where "the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." The 1998 Release. The Staff recently reiterated its view and application of this standard of assessing whether a proposal micro-manages in Staff Legal Bulletin No. 14J (Oct. 23, 2018). Because the Proposal seeks to dictate the Company's approach to its complex employment and risk management practices, the Proposal seeks to micro-manage the Company and for this reason may be excluded under Rule 14a-8(i)(7).

The Staff has consistently concurred in the exclusion of proposals under Rule 14a-8(i)(7) that seek to impose certain methods for implementing complex policies because they interfere with management's core functions of overseeing the ordinary business operations of a company. This includes proposals that pertain to the relationship between a company and its employees because they affect the day-to-day management of a company's operations and "micro-manage a company's ordinary operations." Employee relations and a company's risk management strategy are fundamentally at the core of the day-to-day ordinary business operations of a company. In Lowe's Companies, Inc. (Mar. 10, 2015), the Staff permitted exclusion of a proposal requesting Lowe's to "review its policies related to human rights to assess areas in which the Company may need to adopt and implement additional policies," as relating to Lowe's ordinary business operations. The Staff noted that the "proposal relates to Lowe's policies concerning its employees."

In Deere & Company (Dec. 27, 2017), the Staff concurred in the exclusion of a proposal requiring the preparation of a report to stockholders that would evaluate the potential for the company to achieve, by a fixed date, "net-zero" emissions of greenhouse gases relative to operations directly owned by the company and major suppliers because the proposal sought "to micromanage the [c]ompany by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The 2019 Proposal submitted by the Proponent similarly requested
that the Board issue a written report evaluating whether the Company’s existing mandatory arbitration provisions had any effect on the reporting of sexual harassment. The Proposal, by contrast, goes much further than both the report in *Deere & Company* and the 2019 Proposal and micro-manages the Company by imposing certain methods for implementing complex policies. See also *Intel Corp.* (Mar. 15, 2019) (concurring in the exclusion of a proposal to request the company to update its “Global Human Rights Principles” a statement that Intel supports the “Pride flag and Gay Pride movement” because it micro-manages the company by dictating a specific policy position the company must adopt); *Wells Fargo & Co.* (Mar. 5, 2019) (concurring in the exclusion of a proposal requesting the company to adopt a policy for reducing greenhouse gas emissions resulting from its loan and investment portfolios to align with certain Paris Agreement guidelines because it would micro-manage the company by imposing “specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors); *SeaWorld Entertainment, Inc.* (Apr. 23, 2018) (concurring in the exclusion of a proposal to ban all captive breeding in SeaWorld parks because the proposal micro-manages the company by seeking to “impose specific methods for implementing complex policies”); *EOG Resources, Inc.* (Feb. 26, 2018) (concurring in the exclusion of a proposal seeking company-wide, quantitative, time-bound targets for reducing greenhouse gas emissions because the proposal sought to micro-manage the company by “probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment”); *PG&E Corp.* (Feb. 27, 2015) (concurring in the exclusion of a proposal requesting the company to “include in all employment and related policies the right of employees to freely express their personal religious and political thoughts,” as relating to the company’s policies concerning its employees); *Wal-Mart Stores, Inc.* (Mar. 16, 2006) (concurring in the exclusion of a proposal requesting an amendment to a company policy barring intimidation of company employees exercising their right to freedom of association, noting that the proposal related to “Wal-Mart’s ordinary business operations (i.e., relations between the company and its employees)”); *Merck & Co., Inc.* (Jan. 23, 1997) (concurring in the exclusion of a proposal requesting the adoption of a policy “to encourage employees to express their ideas on all matters of concern affecting the company,” as relating to the company’s “ordinary business operations (i.e., employee relations)”); and *McDonald’s Corp.* (Mar. 19, 1990) (concurring in the exclusion of a proposal regarding various company policies, including affirmative action and equal employment opportunity policies under Rule 14a-8(i)(7)). Accordingly, proposals relating to workplace policies or practices and employee relations may properly be excluded under Rule 14a-8(i)(7).

As discussed above, it is evident that the Proposal concerns the Company’s management of its workforce. The Proposal’s intrusion into this area is an inappropriate and barely veiled attempt to micro-manage the relationship between the Company and its employees by requesting the Company adopt a policy to waive a provision included in standard employment agreements and arrangements. The Proposal substitutes shareholder judgement for the more appropriate business judgement of management and the Board. As discussed above, decisions about how to draft certain workplace policies and manage the
Company’s relationship with employees involve “matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” Employee management and relations are a significant element of the Company’s ordinary business operations and are “so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The 1998 Release.

As previously noted, the Company employs over 100,000 employees and operates in more than 100 countries. The relationships between these employees and the Company as well as the handling of disputes and claims with and among employees are governed by a variety of employment agreements, policies and practices, all of which are from time to time evaluated by the Company’s management with the help of local subject matter experts. Decisions concerning the content of employment agreements for this workforce and policies regarding the handling of disputes with and among employees, including possible sexual harassment claims, are multi-faceted, complex and based on a range of factors. These factors include numerous domestic and international employment, dispute resolution and other laws, regulations and rules applicable in each jurisdiction in which the Company operates as well as negotiations in some jurisdictions with unions and works councils. For example, in the United States alone, the Company is currently monitoring developing jurisprudence with respect to mandatory arbitration provisions, evolving interpretations at the United States Equal Employment Opportunity Commission and numerous and sometimes contradictory state laws. Grappling with the patchwork of competing management, legal and business imperatives involved in drafting the Company’s employment agreements and arrangements would be beyond the knowledge and expertise of most stockholders.

The Board actively monitors the Company’s anti-harassment program, including comparing outcomes against established benchmarks. As discussed under the heading “Background” above, in 2019, the Board specifically reviewed the Company’s mandatory arbitration practices and supported modification of such provisions as they relate to sexual harassment and assault claims by waiving confidentiality in any arbitration proceeding involving sexual harassment or assault and providing claimants with the option to require arbitration awards to be publicly filed with a court. The Board is keenly aware of and monitoring developments related to sexual harassment and the Company’s mandatory arbitration provisions.

In analyzing whether to seek exclusion of the Proposal, the Board considered the complexity of the issues that would be addressed by the policy requested by the Proposal as well as the extent to which the underlying subject matter of the report relates to the Company’s day-to-day management of its employees. The Board noted that decisions with respect to the Company’s mandatory arbitration provisions implicate a number of complicated, sensitive and sometimes competing legal, managerial and business interests. The Board took into consideration the modifications the Company has already made to its arbitration policies to waive confidentiality in sexual harassment claims and the steps it has
taken to further strengthen its anti-harassment programs, such as introducing the new Global Policy on Sexual Misconduct and launching the Company’s Reporter Support Unit. The Board also considered that in May 2019, approximately 65% of the Company’s stockholders voting on the 2019 Proposal rejected the 2019 Proposal, which also related to the Company’s mandatory arbitration provisions with respect to sexual harassment claims. On the basis of all of these considerations, the Board concluded that it would be unnecessary and impracticable to ask stockholders to make informed judgments on such nuanced contractual and policy matters for the Company’s large and diverse workforce.

The Company has gone to great lengths and at great cost to develop thoughtful and carefully considered employee-related policies and communications, and, as discussed above, the development and implementation of those policies are fundamental to the management of the Company’s day-to-day operations. By requiring a specified approach to a complex policy consideration, such as the abolition of mandatory arbitration in certain proscribed circumstances, the Proposal impermissibly seeks to replace management’s informed and reasoned judgments with respect to its development of employee-related and workplace policies. Accordingly, the Proposal micro-manages the Company’s day-to-day fundamental business operations, and we respectfully request that the Staff concur in our view that it is therefore excludable under Rule 14a-8(i)(7).

3. The Proposal Does Not Transcend the Company’s Ordinary Business Operations

The well-established precedent set forth above demonstrates that the Proposal addresses ordinary business matters and therefore is excludable under Rule 14a-8(i)(7). Although the Commission stated in the 1998 Release that “proposals relating to such [ordinary business] matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable,” the Proposal does not focus on that policy issue, but instead touches upon the issue of discrimination in the context of requiring a proposed policy that would apply to the settlement of certain types of claims.

Even where a proposal references or addresses a significant policy issue within the meaning of the Staff’s interpretations of Rule 14a-8(i)(7), the Staff has expressed the view that proposals relating to both ordinary business matters and significant social policy issues may be excluded in their entirety in reliance on Rule 14a-8(i)(7) when it also involves ordinary business issues. The 1998 Release. See also Walmart Inc. (April 13, 2018) (concurring with the exclusion of a proposal requesting a report on the risks associated with public policies on the gender pay gap and risks related to recruiting and retaining female talent); Lowes Companies, Inc. (Jan. 30, 2017) (concurring in exclusion of proposal that requesting a report on risks and costs caused by pressure campaigns to oppose religious freedom laws and strategies to defend the company’s against related discrimination and harassment); JPMorgan Chase & Co. (Mar. 9, 2015) (concurring in the exclusion of a proposal that requested that the company amend its human rights-related policies “to address the right to take part in one’s own government free from retribution,” and also included examples of companies that had adopted non-retaliation policies to protect employees’
expressed political views and contributions in its supporting statement, because the proposal related to “[the company’s] policies concerning its employees”); CVS Health Corporation (Feb. 27, 2015) (concurring in the exclusion of a proposal requesting the company “to amend its policies to explicitly prohibit discrimination based on political ideology, affiliation or activity,” finding that it did not focus on a significant social policy issue, as it related to the company’s policies “concerning its employees”); Deere & Co. (Nov. 14, 2014, recon. denied Jan. 5, 2015) (concurring in the exclusion of a proposal requesting the implementation and enforcement of a company-wide employee code of conduct that included an anti-discrimination policy as the proposal related to the company’s “policies concerning its employees,” an ordinary business matter); Apache Corp. (Mar. 5, 2008) (concurring with the exclusion of a proposal requesting that the company “implement equal employment opportunity policies...prohibiting discrimination based on sexual orientation and gender identity” where the proposal addressed “corporate advertising and marketing policy,” “employee benefits” and corporate charitable contributions” to specific groups because “some of the principles [mentioned in the proposal] related to [the company’s] ordinary business operations”); CVS Caremark Corp. (Jan. 31, 2008, recon. denied Feb. 29, 2008) (concurring with the exclusion of a proposal requesting the adoption of “principles for comprehensive health care reform” that also requested annual reporting on how it is implementing such principles, which is an ordinary business matter); and Wal-Mart (Mar. 9, 2001) (concurring with the exclusion of a proposal requesting a ban on the sale of handguns and ammunitions because of the ordinary business matter of determining which products to sell).

The Staff has not previously recognized mandatory arbitration with employees as a practice that raises significant policy issues. See Amazon.com, Inc. (Mar. 6, 2019) (concurring in the exclusion of a proposal requesting that the board adopt a policy that the Company will not engage in any “Inequitable Employment Practice,” including mandatory arbitration of employment-related claims. The Staff noted that the proposal “does not focus on an issue that transcends ordinary business matters”); Yum! Brands, Inc. (Mar. 6, 2019) (exclusion of a proposal the same as that in Amazon.com, supra, on the same basis); and XPO Logistics, Inc. (Mar. 6, 2019) (exclusion of a proposal the same as that in Amazon.com, supra, on the same basis). However, if a Company’s risk management strategy is tangentially related to a significant policy issue within the meaning of the Staff’s interpretations of Rule 14a-8(i)(7), even where a proposal references such policy issue, it may be excluded when it also addresses matters that relate to a company’s ordinary business operations. The underlying consideration of the Proposal is on the Company’s ordinary business operations because the Proposal’s focus is on provisions in the Company’s employment agreements and policies as they relate to employee dispute resolution. Therefore, we respectfully request that the Staff concur in our view that it is excludable under Rule 14a-8(i)(7).
B. The Proposal is Excludable Under Rule 14a-8(i)(3) Because It is Vague and Indefinite and Thus Inherently Misleading

The Company respectfully requests the Staff’s concurrence that the Company may exclude the Proposal from its Proxy Materials in reliance on Rule 14a-8(i)(3), which permits a company to omit from its proxy materials a stockholder proposal that is contrary to the Commission’s proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy solicitation materials. The Staff has consistently taken the position that vague and indefinite stockholder proposals are inherently misleading and therefore excludable under Rule 14a-8(i)(3) because “neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” Staff Legal Bulletin No. 14B (Sept. 15, 2004) (“SLB 14B”). See also Dyer v. SEC, 287 F.2d 773, 781 (8th Cir. 1961). As further discussed below, both the proposed policy and the related “independent evidence” are so vague and indefinite that neither the Company’s Board nor the Company’s stockholders can comprehend what the Proposal would entail and, therefore, the Proposal is excludable under Rule 14a-8(i)(3).

The Staff has determined that a stockholder proposal may be excluded as materially misleading where “any action ultimately taken by the Company upon implementation could be significantly different from the actions envisioned by shareholders voting on the proposal.” Fuqua Industries, Inc. (Mar. 12, 1991). See also Walgreens Boots Alliance, Inc. (Oct. 7, 2016) (concurring in the exclusion of a proposal requesting that before the board takes any action “whose primary purpose is to prevent the effectiveness of shareholder vote,” it will determine whether there is a “compelling justification”); Moody’s Corp. (Feb. 10, 2014) (concurring in the exclusion of a proposal that the company provide a report on its assessment of the feasibility and relevance of incorporating ESG risk assessments qualitatively and quantitatively into all of its credit rating methodologies because neither stockholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires); and NYC Employees’ Retirement System v. Brunswick Corporation, 789 F. Supp. 144, 146 (S.D.N.Y. 1992) (“NYCERS”) (finding that a proposal was rightfully excluded because “the [p]roposal as drafted lacks the clarity required of a proper shareholder proposal. Shareholders are entitled to know precisely the breadth of the proposal on which they are asked to vote.”).

Further, the Staff has consistently permitted the exclusion of stockholder proposals under Rule 14a-8(i)(3) when such proposals have failed to define certain terms necessary to implement them or where the meaning and application of key terms or standards under the proposal could be subject to differing interpretations. For example, in Berkshire Hathaway Inc. (Jan. 31, 2012), the Staff concurred in the exclusion of a stockholder proposal where the proposal requested that company personnel “sign off [by] means of an electronic key” to indicate whether they “approve or disapprove of [certain] figures and policies” because the proposal did not “sufficiently explain the meaning of ‘electronic key’ or ‘figures and policies.’” See also AT&T Inc. (Feb. 21, 2014) (concurring in the exclusion of a proposal
requesting that the board review the company's policies and procedures relating to the "directors' moral, ethical and legal fiduciary duties and opportunities," where the phrase "moral, ethical and legal fiduciary" was not defined or meaningfully described; Morgan Stanley (Mar. 12, 2013) (concurring in the omission of a proposal that requested the appointment of a committee to explore "extraordinary transactions" as vague and indefinite); The Boeing Company (Mar. 2, 2011) (allowing exclusion of a proposal requesting, among other things, that senior executives relinquish certain "executive pay rights" without explaining the meaning of the phrase); General Motors Corp. (Mar. 26, 2009) (concurring in the exclusion of a proposal to "eliminate all incentives for the CEO and the Board of Directors" that did not define "incentives"); and Verizon Communications Inc. (Feb. 21, 2008) (concurring in the exclusion of a proposal prohibiting certain compensation unless Verizon’s returns to stockholders exceeded those of its undefined “Industry Peer Group”).

The Proposal violates Rule 14a-8(i)(3) because it is vague and indefinite with respect to the scope of the proposed policy’s application, the timing and methodology of the policy’s implementation and the definition of key terms necessary for stockholders to understand the action they are voting on. The Proposal requests the Board to “adopt a policy to require the Company take the necessary steps to waive its mandatory arbitration requirements for claims of sexual harassment...” The Proponent fails to identify whether the proposed policy is intended to apply to the following scenarios, among others, the application of which would be necessary for stockholders to understand and evaluate the scope of the proposed policy:

- Is the proposed policy intended to retrospectively amend all existing arbitration settlements or decisions?
- Is the proposed policy intended to apply to ongoing matters or only to future matters?
- Is the proposed policy intended to apply to existing employees or only to future hires?
- Is the proposed policy intended to apply to former employees who may have claims that have not yet been made?
- Should the proposed policy apply universally to all employees regardless of any negotiated agreements with individuals, unions or works councils?

To comply with the proposed policy, the Company would need to evaluate all existing agreements and arrangements with mandatory arbitration provisions, which span agreements and arrangements in over 100 countries (and could include agreements with former employees), and then potentially renegotiate or terminate—or worse, breach—the terms of such agreements and arrangements in order to comply with the Proposal. Without understanding the scope of the proposed policy, the Company would be unable to take effective steps to comply. It is impossible for the Company and its stockholders to comprehend precisely the depth and scope of the Proposal because of the Proposal’s vague and indefinite parameters. See NYCERS (“Shareholders are entitled to know precisely the breadth of the proposal on which they are asked to vote.”).
Even if the Board were to consider the proposed policy, the independent evidence exception included therein is as vague and indefinite as the proposed policy itself, such that the Board would not be able to determine with reasonable certainty what independent evidence the Proposal requires. The Proposal provides an exception to adopting the requested policy if the Board conducts an evaluation using “independent evidence” to determine whether mandatory arbitration “deters reporting of sexual harassment by Company employees.” The Proposal does not define what “independent evidence” is, but makes it clear that it must be evidence of a deterrent effect on Company employees. It is unclear what type of information would qualify as “evidence” of deterrence. It is unclear how such evidence can be independent if it naturally involves the Company employees who are not independent of the company which employs them. It is unclear who should collect the evidence and who should determine whether it qualifies as either “independent” or “evidence.”

In addition, it is unclear how the Proposal would measure the deterrent effect of any mandatory arbitration provision. It is unclear if only individuals who have experienced harassment would provide data or if individuals who either have not yet reported or have not experienced harassment would be required to provide hypothetical data. In addition, the Proposal does not specify the degree to which mandatory arbitration must “deter” reporting to rise to the level of requiring the proposed policy. The vagueness related to the scope and application of the Proposal’s requested policy and failure to define key terms of the Proposal make it impossible for stockholders to be certain as to what action they are voting on and for the Board to implement any such policy. Such qualities render the Proposal vague and indefinite, and we respectfully request that the Staff concur in our view that it is excludable under Rule 14a-8(i)(3).

V. Conclusion

Because the Board has recently reviewed and addressed the ordinary business subject matter of the Proposal, the Proposal micro-manages the day-to-day operations of the Company and the Proposal is indefinite and vague, the Company respectfully requests that the Staff express its intention not to recommend enforcement action if the Proposal is excluded from the Company’s Proxy Materials in reliance on Rule 14a-8(i)(7) and/or Rule 14a-8(i)(3).

If the Staff disagrees with the Company’s conclusions regarding omission of the Proposal, or if any additional submissions are desired in support of the Company’s position, we would appreciate an opportunity to speak with you by telephone prior to the issuance of the Staff’s Rule 14a-8(j) response.
If you have any questions regarding this request, or need any additional information, please do not hesitate to contact the undersigned at (650) 251-5110 or wbrentani@stblaw.com.

Sincerely,

William Brentani

Enclosure

cc: Laurence Midler, CBRE Group, Inc.
    AFL-CIO Reserve Fund
Exhibit A

Copy of the Proposal and Accompanying Correspondence
RESOLVED: Shareholders of CBRE Group, Inc. (the "Company") request that the Board of Directors adopt a policy to require that the Company take the necessary steps to waive its mandatory arbitration requirements for employee claims of sexual harassment unless the Board of Directors concludes, after an evaluation using independent evidence, that mandatory arbitration does not deter reporting of sexual harassment by Company employees.

SUPPORTING STATEMENT:

At our Company's annual meeting in May 2019, 35 percent of voting shareholders voted in favor of a shareholder proposal requesting a written report evaluating whether our Company's existing arbitration provisions for its employees had any effect on the reporting of sexual harassment. We recognize that the Company has responded to this vote by addressing the topic of sexual harassment and mandatory arbitration in its Corporate Responsibility Report.

After the 2019 annual meeting, our Company also announced that it will waive the confidentiality requirements contained in its employee arbitration agreements, and that reporters of sexual harassment will have the option to have their arbitration award made public in a court filing if they so choose. We commend the Company for making these changes which we believe will help remedy society's historic culture of silence surrounding sexual harassment.

While we acknowledge that the Company has taken steps to enhance transparency regarding sexual harassment claims, we are concerned that employees may be deterred from pursuing mandatory arbitration of such claims. The Company's Corporate Responsibility Report has disclosed that in 2018, the Company investigated 50 reports of sexual harassment and found violations in 29 of those cases, but did not have any arbitrations regarding sexual harassment.

In the Company's Corporate Responsibility Report, the Company appropriately acknowledges that sexual harassment is underreported in almost every organization including potentially at the Company. Despite the changes that the Company has recently made, we remain concerned that requiring mandatory arbitration of sexual harassment claims may deter reporting by employees. We believe that the Company should proactively waive arbitration requirements for such claims.

The #MeToo movement has brought the issue of mandatory arbitration of sexual harassment claims into the spotlight. As our Company has acknowledged, preventing sexual harassment is critical to creating an inclusive and diverse workplace. Removing sexual harassment claims from the Company's mandatory arbitration requirements will place our Company in the same league as other companies that have made this change including Microsoft, Google, and Facebook.

For these reasons, we urge you to vote FOR this proposal.
December 4, 2019

Laurence H. Midler, Secretary
CBRE Group, Inc.
400 South Hope Street, 25th Floor
Los Angeles, CA 90071

Dear Mr. Midler:

On behalf of the AFL-CIO Reserve Fund (the “Fund”), I write to give notice that pursuant to the 2019 proxy statement of CBRE Group, Inc. (the “Company”), the Fund intends to present the attached proposal (the “Proposal”) at the 2020 annual meeting of shareholders (the “Annual Meeting”). The Fund requests that the Company include the Proposal in the Company’s proxy statement for the Annual Meeting.

The Fund is the beneficial owner of 261 shares of voting common stock (the “Shares”) of the Company. The Fund has held at least $2,000 in market value of the Shares for over one year, and the Fund intends to hold at least $2,000 in market value of the Shares through the date of the Annual Meeting. A letter from the Fund’s custodian bank documenting the Fund’s ownership of the Shares is enclosed.

The Proposal is attached. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the Fund has no “material interest” other than that believed to be shared by stockholders of the Company generally. Please direct all questions or correspondence regarding the Proposal to me at 202-637-5152 or bree@ aflcio.org.

Sincerely,

Brandon J. Rees, Deputy Director
AFL-CIO, Corporations & Capital Markets

Attachments
December 4, 2019

Laurence H. Midler, Secretary
CBRE Group, Inc.
400 South Hope Street, 25th Floor
Los Angeles, CA 90071

Dear Mr. Midler:

Amalgamated Bank of Chicago is the record holder of 261 shares of common stock (the "Shares") of CBRE Group, Inc. beneficially owned by the AFL-CIO Reserve Fund as of December 4, 2019. The AFL-CIO Reserve Fund has continuously held at least $2,000 in market value of the Shares for over one year as of December 4, 2019. The Shares are held by Amalgamated Bank of Chicago at the Depository Trust Company in our participant account No. 2567.

If you have any questions concerning this matter, please do not hesitate to contact me at (312) 822-3108.

Sincerely,

Roger R. Schaeffer
Vice President

cc: Brandon Rees
Deputy Director, AFL-CIO Corporations & Capital Markets