



August 11, 2020

By email to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission

Division of Corporation Finance

Office of Chief Counsel

100 F Street, N.E.

Washington, D.C. 20549

Re: **Myriad Genetics, Inc. — Potential Shareholder Proposal Submitted by Pro Cap NYC LLC**

Ladies and Gentlemen:

I am writing on behalf of Myriad Genetics, Inc., a Delaware corporation (the "Company") with respect to correspondence received by the Company from Pro Cap NYC LLC ("Pro Cap"). The Company does not believe the correspondence constitutes a shareholder proposal under Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Nevertheless, out of an abundance of caution and in the event that the correspondence may be viewed as a proposal under Rule 14a-8, the Company requests that, pursuant to Rule 14a-8(j) under the Exchange Act, the Staff of the Division of Corporate Finance (the "Staff") of the Securities and Exchange Commission concur with our view that, for the reasons stated below, the Company may exclude the correspondence (the "Potential Proposal"), submitted by Pro Cap from proxy materials to be distributed by the Company in connection with its 2020 annual meeting of shareholders (the "2020 proxy materials"). The Company also requests a waiver of the 80-day filing requirement set forth in Rule 14a-8(j) for good cause.

In accordance with Staff Legal Bulletin No. 14D (November 7, 2008), this letter is being submitted by email to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). A copy of this letter also is being sent by email to Pro Cap as notice of the Company's intent to omit the Potential Proposal from the Company's 2020 proxy materials.

## THE POTENTIAL PROPOSAL

The Potential Proposal states:

### **“Declassification Revisited at Myriad Genetics, Inc.**

#### **I. The Central Question**

Myriad Genetics, Inc. has instituted a ‘classified’ board as a defensive measure since at least 1996. **What threat to the Company has existed for over 24 years that Justifies classification of the Board today?**

#### **II. Evolving External Changes Severely Diminish the Justification for Classification**

Three profoundly important external changes have evolved and coalesced since 1987 that serve to challenge the Company’s classified Board structure as a defensive measure. The oft-cited justification of “stability and continuity” is now assured by a variety of other ways that also do not reduce your accountability to the Company’s shareholders.

- A. Institutional Investors’ codification of annual elections as a “Best Practice”  
Institutional investors own over 90% of the Company’s shares.

The number of Issuers with classified Boards has been reduced to 36% of the issuers in the Russell 3000 Index. This figure has been declining in recent years by 7% annually. We point out that at least 451 of the S&P 500 companies do not feature classification as a defensive measure to counter a supposed threat to the Company that, by the way, does not appear in the Risk Factors sections of MYGN’s Form 10-K.

Institutional Shareholder Services (‘ISS’), the arbiter of “best practices,” judges classified Board structures so poorly that the companies with such a governance structure have their overall Corporate Governance scores severely penalized. Action Step: Directors are able to ascertain from ISS just how much their total score would be improved by declassification. Please note that the Company’s overall Corporate Governance quality score is 5 (a “C” grade) that is negatively impacted by its Shareholder Rights score of 8 (a “D” grade).

- B. Demise of ‘corporate raiders’

The practice of ‘greenmail,’ essentially, an unwholesome tactic of holding up companies to be bought out, was a phenomenon of the 1970’s and early 1980’s that helped to proliferate several defensive measures such as the ‘poison pill’; super-majority voting; and classified Boards. That threat to the Company, however, was extinguished in 1987 when the IRS instituted a 50% excise tax on ‘green-mail’ profits.

- C. Rise of Index Funds (Vanguard, BlackRock, State Street)

1. These Indexers typically hold more than 20% of each Issuer in the Russell 3000 Index **including the Company at 33%**. Having managed 36 proxy contests, I can state that due to very similar voting policies and practices, this level of concentration serves to make these permanent investors the 'swing vote' in a contested election. In effect, the Indexers function as though the Company had a classified Board - even better as per the example below.
2. These Funds habitually refrain from voting for dissident shareholders' alternative slates of director nominees - even for a single seat; never mind several seats; and only very rarely for a majority of Board seats. As such, they perform quite like a classified Board. The Indexers are true friends of 'stability and continuity.' Action Step: You might consider inviting a representative of Vanguard or BlackRock to discuss their approach to contested elections with the Board.
  - a. Virtually Unanimous Institutional Support for Declassification

So far, the median institutional vote in 2020 FOR management supported declassifications is 98.4%.

#### **Top Institutional Holders**

Holder	Shares	Date Reported	% Cut	Value
Blackrock Inc.	12,458,686	Mar 30, 2020	16.71%	178,283,796
Baillie Gifford and Company	8,970,006	Mar 30, 2020	12.03%	128,360,785
Vanguard Group, Inc. (The)	8,365,447	Mar 30, 2020	11.22%	119,709,546
Earnest Partners LLC	4,160,284	Mar 30, 2020	5.58%	59,533,664
State Street Corporation	4,096,003	Mar 30, 2020	5.49%	58,613,802
Disciplined Growth Investors, Inc.	3,029,345	Mar 30, 2020	4.06%	43,349,926
Dimensional Fund Advisors LP	2,985,740	Mar 30, 2020	4.00%	42,725,939
Shaw D.E. & Co., Inc.	2,680,158	Mar 30, 2020	3.59%	38,353,060
Camber Capital Management LP	2,350,000	Mar 30, 2020	3.15%	33,628,500
Northern Trust Corporation	1,890,036	Mar 30, 2020	2.54%	27,046,415

#### **"Stability and Continuity": Who Decides?**

1. Directors who earn hundreds of thousands of dollars annually for a few meetings have a conflict of interest.
2. Highly sophisticated institutional investors with 300 to 400 positions face this issue multiple times a year; whereas a director on a board is unlikely to face this issue even once in 10 years of service.

The Proposed Proposal was dated and postmarked July 24, 2020, and received by the Company's legal department on August 3, 2020. A copy of the Pro Cap's correspondence, including the Potential Proposal, is attached hereto as Exhibit A.

### **BASIS FOR EXCLUSION**

The Company believes the Potential Proposal may be excluded from the 2020 proxy materials pursuant to Rule 14a-8(e)(2) because the Proposal was received at the Company's principal executive offices after the deadline for submitting shareholder proposals to the Company.

### **ANALYSIS**

- I. Because the Proposal was received at the Company's principal executive offices on August 3, 2020, approximately 46 days after the June 18, 2020 deadline to submit shareholder proposals, the Proposal may be excluded from the Company's 2020 proxy materials under Rule 14a-8(e)(2).**

The Company may exclude the Proposal under Rule 14a-8(e)(2) of the Exchange Act because the Company did not receive the Proposal at its principal executive offices before the deadline has passed for submitting shareholder proposals to the Company. Rule 14a-8(e) provides that a proposal submitted with respect to a company's regularly scheduled annual meeting "must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting." Rule 14a-8(f) permits a company to exclude a shareholder proposal that does not comply with the rule's procedural requirements, including if a proponent fails to submit a proposal by a company's properly determined deadline.

The proxy statement for the Company's 2019 annual meeting was released to shareholders on October 16, 2019. In accordance with the 120-calendar day rule, the deadline for submitting shareholder proposals for inclusion in the 2020 proxy materials was determined to be June 18, 2020, and that date was specified in the proxy statement for the Company's 2019 annual meeting. Although the Proposed Proposal is dated and postmarked July 24, 2020, it was not received by me at the Company's principal executive offices until August 3, 2020, which is 46 days after the deadline.

The exception to Rule 14-8(e)(2) for meetings that have been changed by more than 30 days from the date of the prior year's meeting does not apply in this instance. The Company's 2019 annual meeting of shareholders was held on December 5, 2019, and the 2020 meeting is scheduled for December 4, 2020. Because the 2020 annual meeting has not been changed by more than 30 days from the date of the 2019 annual meeting, the December 5, 2019 deadline for shareholder proposals set forth in the Company's 2019 proxy statement remains effective.

The Staff has repeatedly concurred that a proposal may be excluded in its entirety under Rule 14a-8(e)(2) when it is received after the applicable deadline for submitting a shareholder proposal. See, e.g., *Caterpillar Inc.* (Apr. 4, 2019); *Comcast Corporation* (Apr. 4, 2019); *HollyFrontier Corporation* (Feb. 11, 2019); *DTE Energy Company* (Dec. 18, 2018); *Sprint Corporation* (Aug. 1, 2018); *PepsiCo Inc.* (Jan. 3, 2014); *Newell Rubbermaid Inc.* (Jan. 24, 2012). Consistent with this precedent, we believe the Potential Proposal may be properly excluded as untimely pursuant to Rule 14a-8(e)(2).

In accordance with Rule 14a-8(f)(1) and Section C.6.c of Staff Legal Bulletin No. 14 (July 12, 2001), the Company has not provided Pro Cap with notice of the Potential Proposal's deficiency in this regard because this deficiency cannot be remedied. As stated in Rule 14a-8(f)(1), "[a] company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline". Accordingly, the Company is not required to provide notice under Rule 14a-8(f)(1) in order for the Potential Proposal to be excluded under Rule 14a-8(e)(2).

The Company therefore requests that the Staff concur that the Potential Proposal may properly be excluded from the 2020 proxy materials because it was not received at the Company's principal executive offices within the timeframe required by Rule 14a-8(e)(2).

**II. Because the Potential Proposal was not timely received by the Company prior to the deadline for submission of shareholder proposals, the Company respectfully requests that the Staff waive the 80-day filing requirement set forth in Rule 14a-8(j) for good cause.**

The Company further requests that the Staff waive the 80-day filing requirement set forth in Rule 14a-8(j), which requires that, if a company "intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definite proxy statement and form of proxy with the Commission." However, Rule 14a-8(j)(1) allows the Staff, in its discretion, to permit a company to make its submission later than 80 days before the filing of its definitive proxy statement if the company demonstrates good cause for missing the deadline.

The Company plans to file its definitive proxy statement on or about October 15, 2020, which would result in a deadline of July 27, 2020 to submit its reasons for excluding the Potential Proposal. As stated above, the Potential Proposal was dated three days before, and was actually received seven days after, that filing deadline. The Staff has consistently found good cause to waive the 80-day requirement where the untimely submission of a proposal prevents a company from satisfying the 80-day provision. See Staff Legal Bulletin No. 14B (Sept. 15, 2004) (indicating that the "most common basis for the company's showing of good cause is that the proposal was not submitted timely and the company did not receive the proposal until after the 80-day deadline had passed"); see also *American Express Co.* (Mar. 14, 2014), *Sterling Financial Corp.* (Mar. 27, 2013), *Barnes & Noble Inc.* (June 3, 2008), *DTE Energy Co.* (Mar. 24, 2008), *Alcoa Inc.* (Feb 25, 2008), *General Electric Co.* (Mar. 7, 2006), and *General Electric Co.* (Feb. 10, 2005) (each waiving the 80-day requirement when the proposal was received by the company after the submission deadline).

Given the foregoing, the Company respectfully submits that it has good cause for its inability to meet the 80-day requirement, and the Company respectfully requests that the Staff waive the 80-day requirement with respect to this letter.

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### CONCLUSION

The Company believes the Potential Proposal may be omitted in its entirety from the Company's 2020 proxy materials pursuant to Rule 14a-8(e)(2) because the Pro Cap failed to timely submit the Potential Proposal. Additionally, the 80-calendar day requirement imposed by Rule 14a-8(j)(1) should be waived in this instance because the Potential Proposal was "dated" only three days before, and was actually received seven days *after*, that filing deadline.

Accordingly, the Company respectfully requests the concurrence of the Staff that it will not recommend enforcement action against the Company if the Company excludes the Potential Proposal in its entirety from its 2020 proxy materials.

If you have any questions with respect to this matter, please contact me at 801-883-3328 or email me at [bjackson@myriad.com](mailto:bjackson@myriad.com).

Sincerely,



Benjamin G. Jackson  
*EVP General Counsel, Secretary*

*Myriad Genetics, Inc.*  
320 Wakara Way  
Salt Lake City, UT 84108  
P: 801-883-3328  
E: [bjackson@myriad.com](mailto:bjackson@myriad.com)

cc: Herbert A. Denton  
Pro Cap NYC LLC  
1932 Madison Avenue, #1111  
[bert@procapnyc.com](mailto:bert@procapnyc.com)

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**EXHIBIT A**

**Correspondence and Potential Proposal**

*See attached.*

Herbert A. Denton  
Pro Cap NYC llc  
1392 Madison Avenue #1111  
New York, NY 10029  
bert@procapnyc.com

July 24, 2020

Mr. Benjamin G. Jackson  
Executive Vice President, General Counsel, Secretary  
Myriad Genetics, Inc.  
320 Wakara Way  
Salt Lake City, Utah 84108

Board Communication for Distribution

Dear Directors,

Re: Board Declassification at Myriad Genetics, Inc.

We write, once again, to provide more detail, substance and customized specificity to our prior communications on the impropriety of maintaining a classified Board. We respectfully request that the Board put declassification on the ballot of Myriad Genetics, Inc.'s ("MYGN" or the "Company") up-coming Annual Meeting of Shareholders. This will not only provide significant value to the shareholders, but will also remove a restrictive defensive measure that is unjustified under the present circumstances. As an initial matter, to address any question you might have, we have been and are a shareholder of MYGN.

Our enclosed position paper contains valuable information and analysis relating to whether there can be any justification for a staggered board at MYGN as well as common sense action steps to help you fulfill your fiduciary duties. Should you conclude that a need exists for MYGN to have a staggered Board, we shall appreciate if you would identify for us the 'perceived threat to the Company' that you believe supports and justifies burdening MYGN and its shareholders with this stricture that diminishes shareholder value.

Absent any such justification, you have an excellent opportunity to remove MYGN's classification consistent with your fiduciary duties.

Our previous efforts at establishing a dialog with you on this topic have not generated a substantive response. We hope that is the result of an oversight in these challenging times and we request that we at least receive the courtesy of a response.

We thank you in advance for your response.

Sincerely,



Herbert A. Denton  
bert@procapnyc.com

## **Declassification Revisited at Myriad Genetics, Inc.**

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