

January 6, 2021

VIA E-MAIL

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

Re: *Tejon Ranch Co.*  
*Shareholder Proposal of Glenbrook Capital Management*  
*Securities Exchange Act of 1934 (“Exchange Act”) - Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that our client, Tejon Ranch Co. (the “Company”), intends to omit from its proxy statement and form of proxy for its 2021 Annual Meeting of Shareholders (collectively, the “2021 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof received from Glenbrook Capital Management (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2021 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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## THE PROPOSAL

The Proposal states:

RESOLVED, that the stockholders of Tejon Ranch Co. (the “Company”) request that the board of directors of the Company (the “Board”) evaluate the existing policy for quarterly communications with stockholders under the Company’s investor relations program and consider adopting periodic earnings calls as a method of improving the Company’s stockholder relations program.

A copy of the Proposal and its supporting statements, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may properly be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company’s ordinary business operations.

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because The Proposal Deals With Matters Relating To The Company’s Ordinary Business Operations.**

#### *A. Background On The Ordinary Business Standard.*

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company’s “ordinary business” operations. According to the Commission’s release accompanying the 1998 amendments to Rule 14a-8, the term “ordinary business” “refers to matters that are not necessarily ‘ordinary’ in the common meaning of the word,” but instead the term “is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company’s business and operations.” Exchange Act Release No. 40018 (May 21, 1998) (the “1998 Release”).

In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. As relevant here, one consideration is that “[c]ertain

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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.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). Examples of the tasks cited by the Commission include "management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers." *Id.*

*B. The Proposal Is Excludable Under Rule 14a-8(i)(7) Because It Relates To The Company's Communications With Shareholders.*

The Proposal may be excluded pursuant to Rule 14a-8(i)(7) as relating to ordinary business operations because it relates to the Company's communications with shareholders. The Staff has previously concurred with the exclusion under Rule 14a-8(i)(7) of proposals seeking to "improve" a company's communications with their shareholders. For example, in *Jameson Inns, Inc.* (avail. May 15, 2001), the proposal similarly urged the board of directors "to consider new ideas for improving shareholder communications." These ideas included allowing shareholder questions at quarterly conference calls, disclosing "significant corporate events" in filings with the Commission and press releases, and creating a forum for shareholders to ask board members questions about conflicts of interest. The proposal's supporting statement, similar to the Proposal's supporting statements, expressed the proponent's view that "shareholder communication is important to allow existing shareholders to oversee their investment and also to maximize the stock price," and stated the proposal was "prompted by" recent company events, such as quarterly conference calls that no longer allowed shareholders to ask questions. The Staff concurred with the proposal's exclusion under Rule 14a-8(i)(7) as relating to "ordinary business operations (i.e., *procedures for improving shareholder communications*)" (emphasis added). The Staff has consistently concurred with the exclusion under Rule 14a-8(i)(7) of proposals otherwise relating to the communication of companies with their shareholders. For example, in *Irvine Sensors Corp.* (avail. Jan. 2, 2001), a proposal requested that the company "establish a policy to have regular communications and updates with the shareholders," which could be accomplished by "quarterly letters to the shareholders posted on the company website or"—like the Proposal—by "conference calls." The proposal also requested the establishment of a policy to webcast annual meetings. In concurring with the proposal's exclusion, the Staff noted that the proposal related to the company's "ordinary business operations (i.e., *procedures for establishing regular communications and updates with shareholders*)." *See also ARIAD Pharmaceuticals, Inc.* (avail. June 1, 2016) (concurring with the exclusion of a proposal requesting that the company's board respond to questions specified in the proposal, where the company argued it related to "shareholder relations and communications," and the Staff noted that the proposal related to the company's "ordinary business operations"); *Ford*

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*Motor Co.* (avail. Mar. 1, 2010) (concurring with the exclusion of a proposal relating to how the company distributes restated financial statements to shareholders since “[p]roposals concerning the methods used by a company to distribute or present information to its shareholders are generally excludable under rule 14a-8(i)(7)”; *XM Satellite Radio Holdings Inc.* (avail. May 14, 2007) (concurring with the exclusion of a shareholder proposal requesting that the board “impose a monetary fine upon the [c]ompany [o]fficer for failing to promptly respond to shareholder letters” and implement a shareholder response policy specified in the proposal, where the Staff noted that the proposal related to “procedures for improving shareholder communications”); *Peregrine Pharmaceuticals, Inc.* (avail. June 28, 2005) (concurring with the exclusion of a proposal “designed to require the company to communicate to the [share]holders and other interested parties through public conference calls,” according to certain timing, frequency, and other requirements, as relating to “ordinary business operations (i.e., procedures for establishing regular communications and updates with shareholders”); *Comverse Technology, Inc.* (avail. Sept. 8, 2003, *Comm. review denied* Mar. 15, 2004) (concurring with the exclusion of a shareholder proposal that requested the establishment of an “Office of the Board of Directors” to facilitate communication among non-management directors and shareholders, noting that it relates to “procedures for enabling shareholder communications”).

Like the proposals in *Jameson Inns*, *Irvine Sensors*, and the other precedents discussed above, the Proposal seeks to “improv[e] the Company’s stockholder relations program”<sup>1</sup> by requesting the Company review its existing communications policy and consider adopting the Proponent’s preferred communication method: periodic earnings calls. The Proposal’s supporting statements assert that such “improved stockholder communications” would increase shareholder interest and engagement, as well as share value. By focusing on the Company’s shareholder communications, including the frequency and format of such communications, the Proposal is excludable under Rule 14a-8(i)(7) as relating to the Company’s ordinary business operations. As Staff precedent recognizes, decisions regarding communications with shareholders are the type of ordinary business operations that the

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<sup>1</sup> The Proposal is also excludable to the extent its references to the Company’s shareholder “relations program” and shareholder “engagement” relate to the Company’s shareholder relations, as the Staff has consistently agreed that proposals relating to shareholder relations can be excluded under Rule 14a-8(i)(7) as related to ordinary business matters. *See, e.g., Con-way, Inc.* (avail. Jan. 22, 2009) (concurring with the exclusion of a proposal requesting that the company broadcast future annual meetings over the Internet using webcast technology, since the proposal involved “shareholder relations and the conduct of annual meetings”); *Commonwealth Energy Corporation* (avail. Nov. 15, 2002) (concurring with the exclusion of a proposal requesting the company “[c]onduct the annual and other meetings in accordance with Roberts Rules of Order” as “relating to [the company’s] ordinary business operations (i.e., shareholder relations and the conduct of annual meetings”).

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ordinary business exclusion is designed to remove from shareholder decision-making. These decisions “could not, as a practical matter, be subject to direct shareholder oversight.” 1998 Release. In general, communications with shareholders involve a complex consideration of effectiveness, strategy, time allocation, and associated costs, among others—all of which the Board of Directors and management are able to consider more thoroughly than the shareholders.

Consistent with the Staff letters described above, the Proposal may therefore be excluded pursuant to Rule 14a-8(i)(7) as a matter of ordinary business operations because it relates to the Company’s communications with shareholders.

## CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2021 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8(i)(7).

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this matter, please do not hesitate to call me at (310) 552-8581, or Allen Lyda, the Company’s Executive Vice President, Chief Operating Officer and Corporate Treasurer, at (661) 248-3000.

Sincerely,



Ari Lanin

Enclosures

cc: Allen Lyda, Tejon Ranch Co.  
Richard Rudgley, Glenbrook Capital Management

**EXHIBIT A**

**GLENBROOK CAPITAL MANAGEMENT**

430 Cambridge Avenue, Suite 100

Palo Alto, California 94306

December 7, 2020

**Via EMAIL and HAND DELIVERY**

Tejon Ranch Co.  
P.O. Box 1000  
Tejon Ranch, California 93243  
Attn: Corporate Secretary

Tejon Ranch Co.  
4436 Lebec Road  
Tejon Ranch, California 93243  
Attn: Corporate Secretary

**Re: Tejon Ranch Co. (“Tejon” or the “Company”)**

Dear Corporate Secretary:

Glenbrook Capital Management (“Glenbrook”) is the general partner to Glenbrook Capital, L.P. (“Fund”), the owner of 21,000 shares of common stock, par value \$0.50 per share (“Common Stock”), of the Company, or approximately 0.08% of the outstanding shares of Common Stock.

This letter shall serve as notice to the Company of Glenbrook’s timely submission of a stockholder proposal pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended, for presentation to the Company’s stockholders at the Company’s next annual meeting of stockholders, anticipated to be held in May 2021, or any postponement or adjournment or special meeting held in lieu thereof (the “Meeting”).

Glenbrook’s Rule 14a-8 proposal (the “Proposal”) is as follows:

**PROPOSAL**

“RESOLVED, that the stockholders of Tejon Ranch Co. (the “Company”) request that the board of directors of the Company (the “Board”) evaluate the existing policy for quarterly communications with stockholders under the Company’s investor relations program and consider adopting periodic earnings calls as a method of improving the Company’s stockholder relations program.

## SUPPORTING STATEMENT

We believe that regular and periodic earning calls provide greater transparency for current stockholders to evaluate their investment in the Company and more information that may encourage potential investors to purchase shares of Common Stock. This view is shared by most investor relations professionals. Results from the 2017 Earnings Call Practices Survey conducted by the National Investor Relations Institute (NIRI), a professional association of corporate officers and investor relations consultants, confirm that a vast majority of U.S. public companies hold quarterly earnings calls, with 97% of the companies that responded to the survey reporting that they hold such calls.

Delivering financial results and projections through periodic earnings calls would provide stockholders and analysts with the ability to seek clarification and guidance on the Company's business plan. The need for periodic calls is made more acute by the Company's complex plans for three new communities, the separation of the business into five divergent business lines (real estate – commercial industrial, real estate – resort residential, mineral resources, farming, and ranch operations) and the unprecedented challenges posed by the COVID-19 pandemic. The planned increase in the complexity of the Company's business, along with the uniquely challenging context in which the Company operates, makes it all the more important that the Company deliver regular streams of communication to, and an opportunity to promote dialogue, with stockholders.

As long term stockholders, we are committed to working with the Company and other stockholders to increase stockholder value. Holding periodic earnings calls would be a positive step which will allow for more productive stockholder engagement and help the Company optimize stockholder value. We believe that improved stockholder communications would increase interest in the Company which would drive the value and liquidity of the Common Stock.

For greater transparency into the Company's business and to increase potential investor interest in the Company, we urge you to vote "**FOR**" this proposal.

## **END OF PROPOSAL**

As is required by Rule 14a-8, attached is a letter from Jefferies LLC verifying that the Fund continuously and beneficially owned shares of Common Stock having a market value of \$2,000 or more for at least one year prior to the date of the submission of the above Proposal. As of the date hereof, the Fund has continuously held the required number of shares of Common Stock for over a one-year period. The Fund intends to continue to hold the shares of Common Stock referenced through the date of the Meeting.

Glenbrook represents that, as the general partner to the Fund, it holds beneficial interest in all shares held by the Fund, including full economic interest in such shares along with the power to invest, vote, or direct the vote of such shares and has full power and authority to submit the Proposal on the Fund's behalf.

Please notify us as soon as possible if you would like any further information or if you believe this notice is deficient in any way or if additional information is required so that Glenbrook may promptly provide it to you in order to cure any deficiency.

Thank you for your time and consideration.

*[Remainder of page intentionally left blank]*

Sincerely,

**GLENBROOK CAPITAL MANAGEMENT**

A handwritten signature in black ink, appearing to read "Richard Rudgley", written over a horizontal line.

By: Richard Rudgley  
Title: President

cc: The Board of Directors of the Company

# Jefferies

Dec 7, 2020

Tejon Ranch Co.  
P.O. Box 1000  
Tejon Ranch, California 93243  
Attn: Corporate Secretary

Jefferies LLC  
101 Hudson Street, 11th Floor  
Jersey City, NJ 07302-3915  
tel 212.284.2300  
Jefferies.com

Dear Corporate Secretary,

This letter confirms that Glenbrook Capital LP has continuously held in excess of \$2,000 market value of common stock of Tejon Ranch Co. (NYSE: TRC) in their Jefferies LLC account \*\*\* since January 7, 2016 and through the date hereof December 7, 2020.

Should you have any questions specific to this matter, please call me at 1 (201) 761-7792.

Yours Truly,

*Dominick Todaro*

Dominick Todaro  
Senior Vice President  
Operations