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November 2, 2021

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

By Electronic Mail (shareholderproposals@sec.gov)

Re: Shareholder Proposal to Texas Pacific Land Corporation

Dear Sir/Madam,

I am writing in response to the no-action letter (the 'Company Letter') sent on November 1, 2021 by Texas Pacific Land Corporation (the 'Company'). The Company asserts that it may exclude the shareholder proposal (the 'Proposal') from the Company's proxy materials on the basis that it contravenes SEC regulations relating to ordinary business operations and seeks to micromanage the company as laid out in Rule 14a-8(i)(7). The Company has requested that the Commission's Division of Corporation Finance (the 'Staff') shall not recommend enforcement action if the Company omits the Proposal from their proxy materials. I respectfully disagree and ask that you do not affirm this request.

The Company has submitted a standard no-action request, citing the typical precedents from other shareholder proposals the Staff has ruled on in the past. However, Texas Pacific Land Corporation is quite unlike any other corporation as it previously existed as a land trust for 132 years prior to 2021. The sole purpose of that trust was to return value to shareholders who had invested in the failed Texas Pacific Railroad project. In fact, the charter document of that trust even empowered the trustees to borrow money to purchase shares should they deem it appropriate. The stated purpose of the conversion was for the trust to operate in a more modern 'corporate' fashion, to provide shareholders with more transparency and to take advantage of more beneficial tax treatment. The mere fact that the former trust now exists as a corporation in form does not change the intended purpose of that existence.

Upon converting to a corporation, the Company did adopt a stock repurchase program consistent with historical precedent. As noted in their August 5, 2021 press release: "In May 2021, our board of directors approved a stock repurchase program to purchase up to an aggregate of \$20.0 million of shares of our outstanding common stock. In connection with the stock repurchase program, the Company entered into a Rule 10b5-1 trading plan that generally permits the Company to repurchase shares at times when it might otherwise be prevented from doing so under securities laws. The stock repurchase program will expire on December 31, 2021 unless otherwise modified or earlier terminated by our board of directors at any time in its sole discretion. Repurchased shares will be held in treasury. The Company repurchased \$2.5 million of shares during the six months ended June 30, 2021."

That stock repurchase program expires on December 31, 2021 and the proxy materials that have been issued do not include any proposals to extend the expiration date or any new stock repurchase program. In fact, of the six proposals issued for shareholder consideration, every proposal except ratifying the appointment of the public accounting firm relates to re-electing directors, executive compensation, employee incentives and director stock compensation. Shareholders are left to vote on giving directors, executives and employees raises and compensating them with stock while being excluded from voting on a proposal to continue stock repurchases that have existed for 133 years and represent the core purpose of the entity's very existence.

The Staff has previously ruled that a proposal may transcend a company's ordinary business even if the significant policy issue relates to the nitty-gritty of its core business and I respectfully submit that the Company has not demonstrated that the Proposal does not transcend said ordinary business and therefore Staff should deny the Company's no-action request. Thank you in advance for your consideration.

Sincerely,



Robert J. Zaccheo, Jr.

Cc: Michael W. Dobbs
Texas Pacific Land Corporation
1700 Pacific Avenue, Suite 2900
Dallas, Texas 752201
mdobbs@texaspacific.com



November 1, 2021

VIA EMAIL (shareholderproposals@sec.gov)

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

Re: Texas Pacific Land Corporation
Stockholder Proposal of Robert J. Zaccheo, Jr.

Ladies and Gentlemen:

This letter is submitted by Texas Pacific Land Corporation, a Delaware corporation (the “Company”) pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, to request confirmation that the staff (the “Staff”) of the Securities and Exchange Commission (the “Commission” or the “SEC”) will not recommend enforcement action if, in reliance on Rule 14a-8, the Company excludes from the proxy materials for the Company’s 2021 Annual Meeting of Stockholders (the “Annual Meeting”) a proposal submitted by Robert J. Zaccheo, Jr. (the “Proponent”) and received by the Company on September 9, 2021 (the “Proposal”).

Pursuant to Rule 14a-8(j),

- (a) a copy of the Proposal is attached hereto as Exhibit A; and
- (b) a copy of this letter is being sent to the Proponent.

The Company filed its definitive proxy materials for the Annual Meeting on October 4, 2021, excluding the Proposal. However, on October 29, 2021, the Company announced a postponement of the Annual Meeting to a new date of December 29, 2021. The postponement of the meeting will require the Company to file revised proxy materials and allow the Staff additional time to review this letter.

The Company previously submitted a letter to the Staff on September 23, 2021 to request confirmation that the Staff would not recommend an enforcement action to the Commission if the Company excluded the Proposal from its 2021 proxy materials in reliance on Rule 14a-8(e)(2). On September 28, 2021, the Company was notified that the Staff was unable to concur that Rule 14a-8(e)(2) provides a basis to exclude the Proposal. The Company later submitted a reconsideration request on a different basis for exclusion (Rule 14a-8(i)(7)) on October 6, 2021, which was denied as an untimely request by the Staff on October 7, 2021. Now that the Company has postponed the Annual Meeting and intends to file revised proxy materials, it is respectfully

requesting that the Staff consider the Company's arguments to exclude the proposal based on Rule 14a-8(i)(7), as set forth below.

Due to the timing of receipt of the Proposal and subsequent discussions with the Proponent regarding a potential withdraw, the Company was unable to submit this letter prior to 80 calendar days before the Company filed its definitive 2021 proxy materials. The Annual Meeting will be the Company's first annual meeting following its reorganization in January 2021. The Company did not hold an annual meeting in 2020, resulting in some ambiguity regarding the deadline for Rule 14a-8 proposals in connection with the Annual Meeting. Pursuant to *Staff Legal Bulletin No. 14D (Nov. 7, 2008)*, this letter and its exhibits are being submitted via email to shareholderproposals@sec.gov.

The Proposal reads as follows:

RESOLVED, That the Company repurchase no less than 1% of the outstanding stock on an annual basis and retire those shares.

I. The Proposal May be Properly Omitted from the Company's Proxy Materials Under Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations and Seeks to Micromanage the Company

Rule 14a-8(i)(7) permits a company to omit a proposal from its proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." The purpose 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." *See Release No. 34-40018 (May 21, 1998)*. As explained by the Commission, the term "ordinary business" in this context refers to "matters that are not necessarily 'ordinary' in the common meaning of the word, and is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." *Id.*

There are two central components of the ordinary business exclusion. First, as it relates to the subject matter of the proposal, "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis" that they are not a proper subject matter for shareholder oversight. *Id.* The Commission has differentiated between these ordinary business matters and "significant social policy issues" that "transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." *Id.* The latter is not excludable as pertaining to ordinary business matters, and in assessing whether a particular proposal raises a "significant social policy issue," the Staff will review the terms of the proposal as a whole, including the supporting statement. *Id.*

Second, as it relates to the implementation of the subject matter of the proposal, the ability to exclude a proposal "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.* The Staff noted in *Staff Legal Bulletin No. 14K (Oct. 16, 2019)* ("SLB 14K") that a proposal micromanages a company

where it “seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board.”

In this case, the Proposal asks the Company to “repurchase no less than 1% of the outstanding stock on an annual basis.” Whether to conduct stock repurchases, in what amounts, and on what timeline, are certainly matters fundamental to management’s choices relevant to its financial planning in the context of the broader strategic goals of the Company. This request clearly relates to an ordinary business matter and micromanages the Company by imposing a very specific financial strategy and timeline on the Board.

Stock repurchases can be a part of an overall capital allocation strategy. However, management balances any decisions with respect to stock repurchases against other means of capital deployment, such as dividends, investments and other opportunities for growth. This balance requires a deep understanding of a company’s long-term strategic plan, prospects, liquidity, access to capital, tax consequences of any particular action and many other factors. Any determination with respect to potential stock repurchase activity must also factor in market considerations such as trading volume and volatility and whether any particular stock repurchases would be permissible pursuant to insider trading and market manipulation rules. Each of these considerations is complex. As a result, decisions with respect to stock repurchases are of a nature that stockholders, as a group, would not be in a position to make an informed judgment. Accordingly, the Proposal presents precisely the type of micromanagement that has been deemed inappropriate for shareholder action under Rule 14a-8(i)(7) as further detailed in SLB 14K.

The Staff has recently concurred with the omission of shareholder proposals that seek shareholder votes regarding stock repurchases, in each case on the basis of Rule 14a-8(i)(7). *See Royal Caribbean Cruises Ltd.* (Mar. 14, 2019) and *Walgreens Boots Alliance* (Nov. 20, 2018) (proposals sought to require shareholder approval for any open market share repurchase programs or stock buybacks adopted by the board); *MFRI, Inc.* (Mar. 20, 2017) (proposal to authorize and implement a three-year share repurchase program that would repurchase 1,000,000 shares of stock, with the Staff noting in its concurrence that “the proposal relates to the implementation and particular terms of a share repurchase program”). The SEC has also clearly determined that matters related to the Company’s general business plans and strategy are not appropriate for shareholder action. *See, e.g., Sears, Roebuck & Co.* (Feb. 7, 2000) (concurring with exclusion of a proposal seeking a change in the company’s general business plans and strategy).

Further, the Staff has consistently found that proposals that fix specific financial goals are excludable under Rule 14a-8(i)(7). *See Omeros Corporation* (April 20, 2021) (excluded proposal to “make the ongoing increase in share price and enhancing shareholder value a high priority in 2021 and beyond.”); *Ford Motor Co.* (Mar. 8, 2006) (excluded proposal requesting action to “enhance shareholder value” and “achieve stock performance equaling the top quartile of S&P 500 companies”); *Bimini Capital Management, Inc.* (Mar. 28, 2018) (excluded proposal requesting that the board take measures to close the gap between the book value of the company’s common shares and their market price); *Tremont Corp.* (Feb. 25, 1997) (excluded proposal requesting a plan to narrow the gap between the value of the company’s shares and the value of its underlying assets); *Rogers Corp. (Erley)* (Jan. 18, 1991) (excluded proposal requesting enumerated standards for financial performance). Similar to the proposals described above, the Proposal attempts to

impose on the Company a specific decision with respect to a fundamental and ordinary business matter — the Company's capital allocation strategy.

In summary, the Proponent seeks to micromanage the Company by mandating a very specific stock repurchase plan – no less than 1% of the outstanding stock on an annual basis. As noted above, stockholders, as a group, lack the ability to properly evaluate whether the Company should engage in a particular stock buyback strategy. As such, the Proposal is a matter of ordinary business of the Company and, if implemented, would micro-manage the Company for purposes of Rule 14a-8(i)(7). Imposing such stock repurchase mandate on the Company circumvents management's expertise and fiduciary duties to act in the best of interests of stockholders.

II. Conclusion

Based on the above, and also acknowledging that the Proposal does not present any significant policy issues that may transcend the day-to-day business of the Company, the Proposal is properly excludable as an ordinary business matter pursuant to Rule 14a-8(i)(7).

For the foregoing reasons, the Company requests your confirmation that the Staff will not recommend any enforcement action to the Commission if the Proposal is excluded from the Company's 2021 proxy materials when refiled for the postponed Annual Meeting for any of the reasons described in this letter.

We would be happy to provide any additional information and answer any questions regarding this matter. Should you have any questions, please contact the undersigned at mdobbs@texaspacific.com or (214) 969-5530.

Sincerely,



Senior Vice President, General Counsel and
Secretary

Enclosures

cc: Robert J. Zaccheo, Jr.
379 State Route 208
New Paltz, New York 12561
zaccheo@pm.me

Exhibit A
The Proposal



Law Office of
Robert J. Zaccheo, Jr.
379 State Route 208
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Phone: (845) 255-5667
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August 30, 2021

Texas Pacific Land Corporation
Corporate Secretary
1700 Pacific Avenue
Suite 2900
Dallas, TX 75201

Via First-Class Mail

Re: Shareholder Proposal

Members of the Board,

As a long time Texas Pacific Land Trust and now Texas Pacific Land Corp. shareholder I'd like to submit the following proposal for consideration at the forthcoming annual meeting. While I've owned as much as 100-200 shares of TPL at various times over the last 8 years I've continuously held a minimum of least 35 shares (appx. value at time of writing is \$49,875) throughout said period. I believe I've agreed to share my information through my broker (Fidelity) so you're able to verify my status as a shareholder but will certainly provide additional proof should it be deemed necessary.

Additionally, I intend to continuously hold at least 35 shares of TPL stock for the next several years but in any event through the date of the upcoming shareholder meeting for which this proposal is being submitted.

As noted in your May 6, 2021 press release, the company's stock repurchase program is due to expire on December 31, 2021. This being the case I'd like to propose that the company continue to follow its long standing history of stock repurchases by adopting a new repurchase program wherein the company would repurchase and retire shares at times throughout the year that are suitable, but in any event not less than 1% of outstanding shares per annum. I think this will benefit the

company and shareholders alike and is consistent with the company's governance to date. I believe this should be the policy of the company going forward but at the very least through December 31, 2022.

Therefore I respectfully submit the following proposal:

Resolution

That the Company repurchase no less than 1% of the outstanding stock on an annual basis and retire those shares.

Please allow this letter to serve as a statement of my support of said proposal and resolution. I'm able to meet with the company via ~~teleconference within the~~ next 10-30 days to more fully discuss the matter if you wish. I'm available by phone at (845)417-3959 Monday thru Friday from 8am to 4pm. Thank you in advance for your consideration in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert J. Zaccheo, Jr.", written over a faint circular stamp or watermark.

Robert J. Zaccheo, Jr.