



DIVISION OF
CORPORATION FINANCE

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

April 1, 2025

Anton Feingold
Ares Commercial Real Estate Corporation

Re: Ares Commercial Real Estate Corporation (the "Company")
Incoming letter dated February 3, 2025

Dear Anton Feingold:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Chris Mueller for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(e)(2) because the Company received it after the deadline for submitting proposals. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(e)(2).

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Chris Mueller

Ares Commercial Real Estate Corporation
245 Park Avenue, 42nd Floor
New York, NY 10167
Phone: (212) 750-7300
Email: afeingold@aresmgmt.com

Anton Feingold

General Counsel, Vice President and Secretary

February 3, 2025

VIA ONLINE SUBMISSION FORM

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

Re: Ares Commercial Real Estate Corporation – 2025 Annual Meeting Omission of
Shareholder Proposal of Christopher Mueller Pursuant to Securities Exchange Act of 1934
– Rule 14a-8

Ladies and Gentlemen:

This letter is submitted on behalf of Ares Commercial Real Estate Corporation, a Maryland corporation (the “Company”), pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Company has received the shareholder proposal attached as Exhibit A hereto (the “Proposal”) submitted by Christopher Mueller (the “Proponent”) for inclusion in the Company’s form of proxy, proxy statement and other proxy materials (together, the “Proxy Materials”) for its 2025 annual meeting of shareholders (the “2025 Annual Meeting”). In reliance on Rule 14a-8 under the Exchange Act, the Company intends to omit the Proposal from the Proxy Materials pursuant to Rule 14a-8(e), as the Company did not receive the Proposal before the deadline for submitting shareholder proposals to the Company.

We respectfully request the concurrence of the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) that no enforcement action will be recommended if the Company omits the Proposal from the Proxy Materials.

In accordance with relevant Staff guidance, this letter is being submitted by using the Commission’s online shareholder proposal form. Also, in accordance with Rule 14a-8(j), a copy of this letter and the related exhibit is being simultaneously provided by email on this date to the Proponent informing it of the Company’s intention to exclude the Proposal from the Proxy Materials.

The Company agrees to promptly forward to the Proponent any Staff response to the Company’s no-action request that the Staff transmits to the Company by mail, email and/or facsimile. Rule 14a-8(k) and the Staff Legal Bulletin No. 14D (November 7, 2008) provide that a shareholder proponent is required to send to the company a copy of any correspondence that the proponent elects to submit to the Commission or the Staff. Accordingly, the Company hereby informs the Proponent that the undersigned on behalf of the Company is entitled to receive from the Proponent a concurrent copy of any additional correspondence submitted by the Proponent to the Commission or the Staff relating to the Proposal.

THE PROPOSAL

The Proposal sets forth the following resolution for inclusion for the vote of the Company's shareholders at the 2025 Annual Meeting:

"Ares Commercial Real Estate should demand additional disclosures from our transfer agent for the benefit of our registered holders including:

- (1) Providing an update regarding alleged arbitrage opportunities that may be enabled through recurring DirectStock Plan purchases.
- (2) Disclosing how investor's registered shares used for "operational efficiency" (which title is legally owned by Cede & Co.) are protected (or insured). According to section 15 of our investment plan, securities held in DirectStock accounts are not insured.
- (3) Disclosing how Computershare determines what percentage of aggregate DSPP shares are held at DTC for operational efficiency.
- (4) Disclosing specifically why certificated shares (that are enrolled in DirectStock Plan) can not be held at DTC for operational efficiency."

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

BACKGROUND

As clearly evidenced in the copy of the Proposal attached hereto as Exhibit A and the envelope in which the Proposal was delivered attached hereto as Exhibit B, the Proposal is dated as of Monday, January 6, 2025 and was postmarked on Tuesday, January 7, 2025.

BASIS FOR EXCLUSION

The Proposal May be Excluded Pursuant to Rule 14a-8(e) Because the Company Did Not Receive the Proposal Before the Deadline for Submitting Shareholder Proposals

The Company respectfully requests that the Staff concur that the Proposal may be properly excluded from the Proxy Materials pursuant to Rule 14a-8(e) because the Company did not receive the Proposal from the Proponent before **December 5, 2024**, the deadline for submitting shareholder proposals to the Company. Such deadline was clearly disclosed in the Company's 2024 Proxy Statement:

*"To be considered timely under Rule 14a-8(e) of the Exchange Act for inclusion in our proxy statement and proxy card for a regularly scheduled annual meeting, a stockholder's proposal must be received at our principal executive offices not less than 120 calendar days before the anniversary of the date our proxy statement was released to stockholders for the previous year's annual meeting. Accordingly, a stockholder's proposal must be received no later than **December 5, 2024** in order to be included in our proxy statement and proxy card for the 2025 annual meeting of stockholders."* (emphasis added.)

However, the Proposal was not received by the Company prior to the December 5, 2024 deadline. In fact, the Proposal itself is dated as of January 6, 2025 and the envelope was postmarked on January 7, 2025, which are 32 and 33 days after the deadline for submission of proposals and are clear evidence that the Proponent did not submit the Proposal in a timely manner. Staff Legal

Bulletin No. 14 (July 13, 2001) emphasizes that “[t]o avoid exclusion on the basis of untimeliness, a shareholder should submit his or her proposal well in advance of the deadline”

Finally, Rule 14a-8(f) states that a company need not provide a proponent with notice of a deficiency if the deficiency cannot be remedied, such as if the proponent fails to submit a proposal by the company’s properly determined deadline. Because the failure to timely submit a shareholder proposal is a deficiency that cannot be remedied, the Company was not required to provide the Proponent with the 14-day notice and an opportunity to cure under Rule 14a-8(f) in order to exclude the proposal under Rule 14a-8(e).

The Company therefore requests that the Staff concur that the Proposal may properly be excluded from the Proxy Materials because it was not properly submitted to the Company within the time frame required under Rule 14a-8(e).

REQUEST FOR WAIVER UNDER RULE 14a-8(j)(1)

The Company further requests that the Staff waive the 80-day filing requirement set forth in Rule 14a-8(j) for good cause. Rule 14a-8(j)(1) 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 definitive 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 is currently preparing its Proxy Statement in connection with the 2025 Annual Meeting and intends to begin the printing process on April 1, 2025 and to file it with the Commission on or about April 3, 2025, and therefore, the filing date is less than 80 calendar days from the date of this letter.

The Company has reviewed the information available on the United States Postal Service tracking website that appears in the envelope in which the Proposal was delivered. That website shows that the Proposal was delivered to the Company’s executive offices on Monday, January 13, 2025. However, the Company’s earliest record of receipt is Thursday, January 23, 2025. As a result, this letter was submitted to the Commission for consideration as promptly as practicable under the circumstances. Accordingly, we believe the Company has “good cause” for its inability to meet the 80-day requirement, and we respectfully request that the Staff waive the 80-day requirement with respect to this letter.

CONCLUSION

For the foregoing reasons, please confirm that the Staff will not recommend any enforcement action to the Commission if the Proposal is omitted from the Proxy Materials.

Should the Staff disagree with our conclusions regarding the omission of the Proposal, or should any additional information be desired in support of the Company’s position, we would appreciate an opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff’s Rule 14a-8 response.

If we can provide additional correspondence to address any questions that the Staff may have with respect to this no-action request, please do not hesitate to call me at (212) 750-7300 or contact me via email at afeingold@aresmgmt.com.

Sincerely,



Anton Feingold, General Counsel, Vice President and Secretary

CC:

Monica J. Shilling, P.C.
Kirkland & Ellis LLP
Email: monica.shilling@kirkland.com

Ana Sempertegui
Kirkland & Ellis LLP
Email: ana.sempertegui@kirkland.com

Enclosures: Exhibit A

EXHIBIT A

January 6, 2025

Ares Commercial Real Estate
245 Park Avenue – 42nd Floor
New York, NY 10167

Members of the Board,

My name is Chris Mueller, and I would like to submit a shareholder proposal for the 2025 annual shareholder meeting. I am an individual investor with a registered ownership position. I intend to hold my position through the 2025 annual shareholder meeting. I can meet with the board to discuss my proposal at any time.

I also submitted a shareholder proposal for the 2024 meeting. My proposal included a reference to the arbitrage exposure that allegedly occurs with recurring purchases made through Computershare's DirectStock Plan. It has been 11 months since I submitted my proposal, and Computershare has not provided an update. According to the FAQ page on Computershare's website:

"We are looking into the concern from investors about the predictable schedule DirectStock Plan open market purchases open up arbitrage opportunities. The orders are being executed on exchanges and there is a concern being raised that third parties can anticipate an order arriving in the market."

My proposal: Ares Commercial Real Estate should demand additional disclosures from our transfer agent for the benefit of our registered holders including:

- 1) Providing an update regarding alleged arbitrage opportunities that may be enabled through recurring DirectStock Plan purchases.
- 2) Disclosing how investor's registered shares used for "operational efficiency" (which title is legally owned by Cede & Co.) are protected (or insured). According to section 15 of our investment plan, securities held in DirectStock accounts are not insured.
- 3) Disclosing how Computershare determines what percentage of aggregate DSPP shares are held at DTC for operational efficiency.
- 4) Disclosing specifically why certificated shares (that are enrolled in DirectStock Plan) can not be held at DTC for operational efficiency.

It is important to note that last year the SEC updated the "holding your securities" page on their website. Unfortunately, the bulletin is missing an important disclosure. The bulletin states that securities purchased through the transfer agent are not DRS and must be moved from "the issuer plan" to become DRS form. **What is missing, however, is a disclosure stating that when book-entry DRS form shares are enrolled in "the issuer plan" that the title to the shares is no longer owned by the investor.**

Our investors deserve to know who owns the title to "their" securities, and how their investment may or may not be protected or insured. Without the disclosures listed above, our investors do not have the necessary information to make the best decisions for holding their investments.

I believe that our company may have a fiduciary responsibility to provide answers to the concerns above. A hypothetical custodial insolvency could negatively affect our shareholders which could

negatively affect our company. Please demand the disclosures above that Computershare and the SEC have not provided to help protect our investors and our company.

I would prefer correspondence through email to limit the resource expenditure necessary for responding to my proposal.

Thank you,

A handwritten signature in blue ink, appearing to read "C Mueller".

Chris Mueller

PII

EXHIBIT B

Chris Mueller

PII

9589 0710 5270 1614 0764 95

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL®



9589 0710 5270 1614 0764 95

BA EL-335

Retail



RDC 99



10167

U.S. POSTAGE PAID
FCM LETTER

PII
JAN 07, 2025

\$5.58

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Ares Commercial Real Estate
Attention: Corporate Secretary
245 Park Avenue – 42nd Floor
New York, NY 10167

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