



DIVISION OF
CORPORATION FINANCE

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

April 23, 2024

Matthew Kusel
Robinson, Bradshaw & Hinson, P.A.

Re: Culp, Inc. (the "Company")
Incoming letter dated April 11, 2024

Dear Matthew Kusel:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Chris Mueller (the "Proponent") 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(f) because the Proponent did not comply with Rules 14a-8(b)(1)(i) and 14a-8(b)(1)(iii). As required by Rule 14a-8(f), the Company notified the Proponent of the problems, and the Proponent failed to adequately correct them. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rules 14a-8(b)(1)(i), 14a-8(b)(1)(iii), and 14a-8(f).

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/2023-2024-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Chris Mueller

April 11, 2024

MKusel@robinsonbradshaw.com
919.328.8819 : Direct Phone

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

Re: Culp, Inc. – Exclusion of Stockholder Proposal Submitted by Chris Mueller

To the addressee set forth above:

Culp, Inc. (the “Company” or “Culp”) respectfully submits this letter pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to notify the Securities and Exchange Commission (the “Commission”) of the Company’s intention to exclude from the Company’s proxy materials for its 2024 annual meeting of stockholders (the “2024 Proxy Materials”) a stockholder proposal submitted to the Company by Chris Mueller (the “Proponent”) in a letter dated January 28, 2024 and received by the Company on February 5, 2024 (the “Stockholder Proposal”). The Company requests confirmation that the staff of the Division of Corporation Finance (the “Staff”) will not recommend to the Commission that enforcement action be taken against the Company if the Company excludes the Stockholder Proposal from its 2024 Proxy Materials pursuant to:

- Rule 14a-8(b)(1) and Rule 14a-8(f)(1), because the Proponent failed to provide the Company with sufficient evidence that he satisfies the ownership threshold requirements of Rule 14a-8(b)(1)(i); and
- Rule 14a-8(b)(i)(iii) and Rule 14a-8(f)(1), because the Proponent failed to provide the Company with an adequate written statement regarding his ability to meet with the Company to discuss the Stockholder Proposal.

By copy of this letter, we are advising the Proponent of the Company’s intention to exclude the Proposal. In accordance with Rule 14a-8(j)(2) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are submitting electronically to the Staff, no later than eighty calendar days before the company intends to file its definitive 2024 Proxy Materials with the Commission:

- this letter, which sets forth our reasons for excluding the Proposal;
- the Proponent’s letter submitting the Proposal;
- the Company’s notice to the Proponent of deficiencies regarding his Proposal; and
- all subsequent correspondence between the Proponent and the Company (made through Company’s outside counsel).

Rule 14a-8(k) and SLB 14D provide that stockholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or 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 the Stockholder 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.

The Stockholder Proposal

On February 5, 2024, the Company received the following Stockholder Proposal from the Proponent for inclusion in the 2024 Proxy Materials:

Members of the board:

My name is Chris Mueller, and I would like to submit a shareholder proposal for the 2024 annual shareholder meeting. I am an individual investor with a directly registered ownership position in our company. I intend to hold my position through the date of the 2024 annual shareholder meeting. I would be happy to meet with the board to discuss my proposal at any time.

My proposal: Culp Inc. should disclose registered shareholder share totals on 10-Q and 10-K reports. Registered share totals should include separate tallies of shares held by investors in DRS and DSPP form (and Cede if possible). In addition, our company should upgrade its investment plan, and move away from Computershare's boilerplate DirectStock plan.

Several issuers already disclose registered share totals with a couple sentences on each 10-O or 10-K report. Registered holders are passionate and loyal investors who disclose their personal information to and desire a direct and close relationship with the company they invest with. Registered holder information is of material interest to investors who want to track distribution and commitment of an investor base, and can inspire more long term investors.

Regarding the investment plan, there are several reasons why we should upgrade. First - DirectStock plan does not allow hybrid holding methods in a single account. All accounts are either fully enrolled or fully not enrolled in the plan. Accounts NOT enrolled are "all DRS" (owned exclusively by the investor). By comparison, accounts that are fully enrolled are what Computershare calls DSPP consisting of "shares that underpin the plan"

Second, recurring buys through DirectStock plan are scheduled and predictable - making them prone to arbitrage and manipulation. The purchases tend to be processed through a single broker-dealer (often BofA Securities) and they tend to happen T+3 from the 1st and 15th (excluding weekends and bank holidays). The 2024 dates that these purchases will likely occur for our company are: Jan 5, Jan 19, Feb 6, Feb 21, Ma 6, Mar 20, April

4, April 18, May 6, May 20, June 6, June 21, July 5, July 18, Aug 6, Aug 20, Sept 6, Sept 19, Oct 4, Oct 18, Nov 6, Nov 21, Dec 5, and Dec 19.

Upgrading our investment plan would allow Culp Inc. the ability to allow hybrid registered holding methods and meet the needs of materially interested long term retail investors. It would also allow for our company to either put an end to the predictable and vulnerable recurring purchases, or make sure they are less predictable and vulnerable. While it would represent an additional cost, sponsoring and administering a customized plan will be worth it.

A copy of the Stockholder Proposal is attached hereto as Exhibit A.

Basis for Exclusion

We respectfully request that the Staff concur in our view that the Stockholder Proposal may be excluded from the 2024 Proxy Materials pursuant to:

- Rule 14a-8(b)(1) and Rule 14a-8(f)(1), because the Proponent failed to provide the Company with sufficient evidence that he satisfies the ownership threshold requirements of Rule 14a-8(b)(1)(i); and
- Rule 14a-8(b)(i)(iii) and Rule 14a-8(f)(1), because the Proponent failed to provide the Company with an adequate written statement regarding his ability to meet with the Company to discuss the Stockholder Proposal.

Background

On January 28, 2024, the Proponent submitted the Stockholder Proposal via certified mail to the Company. The Company received the Stockholder Proposal on February 5, 2024. The initial Stockholder Proposal did not contain any information concerning the Proponent's stock ownership, as required under Rule 14a-8(b)(1), or the Proponent's availability to meet with the Company, as required under Rule 14a-8(b)(1)(iii); however it did note that the Proponent is "an individual investor with a directly registered ownership position in [the] Company." Based on the Company's review of the ownership records regarding the Proponent's direct ownership of the common stock of the Company, as provided by the Company's transfer agent, the Company determined that the Proponent held one registered share of common stock of the Company. A copy of this ownership record (the "Ownership Record") is attached hereto as Exhibit B. Based on the Ownership Record, the Company determined that the Proponent's registered holdings of the Company's securities did not satisfy the requirements of 14a-8(b)(1).

On February 16, 2024, the Company sent a letter of deficiency to the Proponent via Federal Express (the "Deficiency Notice"), identifying two procedural deficiencies, as described below. Federal Express records confirm the delivery of the Deficiency Notice at 9:52 a.m., local time, on February 19, 2024, at the address the Proponent provided in his Stockholder Proposal (which was within 14 calendar days of the Company's receipt of the Stockholder Proposal). The Deficiency

Notice notified the Proponent of the requirements of Rule 14a-8, and explained how the Proponent could cure his deficiency with respect to demonstrating sufficient share ownership. A copy of the Deficiency Notice is attached hereto as Exhibit C. A copy of the delivery confirmation from Federal Express is attached hereto as Exhibit D.

More specifically, the Deficiency Notice (1) acknowledged the receipt of the Stockholder Proposal, (2) informed the Proponent of the stock ownership requirements of Rule 14a-8(b), (3) indicated the methods by which the Proponent could cure this eligibility deficiency, and (4) included a copy of Rule 14a-8. In addition, the Deficiency Notice informed the Proponent of his failure to provide the Company with a written statement of availability to engage with the Company, as required under Rule 14a-8(b)(1)(iii).

The Proponent's deadline for responding to the Deficiency Notice was March 4, 2024, which is 14 calendar days from February 19, 2024, the date the Proponent received the Deficiency Notice. As of the date of this letter, the Proponent has not responded to the deficiencies noted in the Deficiency Notice. All additional correspondence from the date of the Deficiency Notice to the date of this letter between the Company and the Proponent are attached hereto as Exhibit E.

Analysis

I. The Stockholder Proposal May Be Excluded Pursuant to Rule 14a-8(b)(1) and Rule 14a-8(f)(1) Because the Proponent Failed to Establish the Requisite Eligibility to Submit the Stockholder Proposal

Rule 14a-8(b)(1) provides that, to be eligible to submit a stockholder proposal in connection with a stockholder meeting that is scheduled to be held on or after January 1, 2023, a stockholder must have continuously held:

1. At least \$2,000 in market value of the company's securities entitled to vote on the proposal for at least three years; or
2. At least \$15,000 in market value of the company's securities entitled to vote on the proposal for at least two years; or
3. At least \$25,000 in market value of the company's securities entitled to vote on the proposal for at least one year.

Pursuant to Rule 14a-8(b)(2)(ii)(A), if a proponent is not the registered holder of securities entitled to vote, the proponent must submit to the company a written statement from the record holder of such securities verifying that, at the time the proposal was submitted, the proponent held enough of the company's securities to satisfy the ownership threshold requirements of Rule 14a-8(b)(1). In this case, while the Proponent is in fact a registered holder of the Company's securities, his direct ownership is insufficient to satisfy the ownership threshold requirements of Rule 14a-8(b)(1). As a result, additional proof of the Proponent's stock ownership is required in order to demonstrate that the Proponent satisfies the ownership threshold requirements of Rule 14a-8(b)(1).

According to Staff Legal Bulletin No. 14L (Nov. 3, 2021) (“SLB 14L”), to calculate whether a proponent satisfied the relevant ownership threshold, the proponent should determine whether, on any date within the 60 calendar days before the date the proponent submitted the proposal, the proponent’s investment had a market value at the relevant threshold or greater. SLB 14L further provides that the market value is calculated by multiplying the number of securities the proponent continuously held for the relevant period by the highest selling price during the 60 calendar days before the proponent submitted the proposal. Under Rule 14a-8(f)(1), a company may exclude a stockholder proposal if the proponent fails to provide evidence that it satisfies the relevant ownership threshold.

For purposes of the Rule 14a-8(b)(1) calculation, it is important to note that a security’s highest selling price is not necessarily the same as its highest closing price. During the 60 calendar days preceding and including January 28, 2024, the date the Proponent submitted the Stockholder Proposal, the highest selling price for Culp’s common stock was \$5.90 per share. Based on the Ownership Record, the value of the Proponent’s holdings in Culp for purposes of submitting the Stockholder Proposal is \$5.90, which is below the \$2,000 ownership threshold set forth in Rule 14a-8(b)(1).

The Company satisfied its obligation under Rule 14a-8(f) by sending the Deficiency Notice to the Proponent no more than 14 calendar days after receipt of the Stockholder Proposal, stating that the Proponent had not met the eligibility requirements of Rule 14a-8(b)(1) and requesting verification of the Proponent’s sufficient stock ownership. The Deficiency Notice clearly informed the Proponent of the eligibility requirements of Rule 14a-8(b)(1), how to cure the eligibility deficiency and the need to respond to the Company to cure the deficiency within 14 days from the receipt of the Deficiency Notice. As discussed above, the Proponent failed to provide timely documentary evidence of his eligibility to submit a stockholder proposal in response to the Company’s proper and timely Deficiency Notice.

The Staff has consistently concurred in the exclusion of Proposals under Rule 14a-8(f)(1) where the proponent has failed to provide satisfactory evidence of continuous ownership of the Company’s securities, as required by Rule 14a-8(b). See, e.g., *Bank of America Corp.* (avail. Feb. 20, 2024) (concurring with the exclusion of a proposal where the proponent failed to timely provide proof of requisite stock ownership after receiving notice of such deficiency); *RTX Corp.* (avail. Feb. 20, 2024); *Allegheny Technologies Inc.* (avail. Feb. 27, 2018) (concurring with the exclusion of a proposal where the proponent held 70 shares and the market value of these shares was not at least \$2,000); and *QEP Resources, Inc.* (avail. Dec. 27, 2017).

Consistent with the precedent cited above, the Proponent has failed to demonstrate his eligibility to submit a Rule 14a-8 proposal under Rule 14a-8(b)(1). Accordingly, the Company intends to exclude the Stockholder Proposal under Rule 14a-8(f)(1), because the Proponent has not demonstrated that he is eligible to submit the Stockholder Proposal under Rule 14a-8(b)(1).

II. The Stockholder Proposal May Be Excluded Pursuant to Rule 14a-8(b)(1)(iii) and Rule 14a-8(f)(1) Because the Proponent Failed to Provide the Company with a Written Statement Regarding His Ability to Meet with the Company

Rule 14a-8(b)(1)(iii) requires a proponent to provide a written statement that he or she is able to meet with the company in person or via teleconference no less than 10 calendar days, nor more than 30 calendar days, after submission of the stockholder proposal. This written statement must include the proponent's contact information as well as business days and specific times that the proponent is available to discuss the proposal with the company. The proponent must identify times that are within the regular business hours of the company's principal executive office. The Commission has indicated that proponents must identify specific dates and times rather than providing a general statement of the proponent's availability, as the former approach increases the likelihood of engagement because the company knows the proponent's availability in advance. See SEC Release No. 34-89964, 85 Fed. Reg. 70240, 70253-4. (Sept. 23, 2020). Under Rule 14a-8(f)(1), a company may exclude a stockholder proposal if the proponent fails to provide evidence that it meets any of the eligibility requirements of Rule 14a-8(b) following a timely and proper request by the Company.

As noted above, the initial Stockholder Proposal did not contain the information concerning the Proponent's availability to meet with the Company, as required under Rule 14a-8(b)(1)(iii). The Company satisfied its obligation under Rule 14a-8(f) by sending the Deficiency Notice to the Proponent fourteen calendar days after receipt of the Stockholder Proposal, which informed the Proponent of his failure to provide the Company with a written statement of availability to engage with the Company, as required under Rule 14a-8(b)(1)(iii).

Despite the information provided by the Company in the Deficiency Notice, the Proponent failed to remedy this defect because he failed to respond to the Deficiency Notice with a written statement that included the business days and specific times of availability to discuss the Stockholder Proposal.

The Staff has consistently permitted the exclusion of stockholder proposals where a proponent fails to provide a written statement of the proponent's availability to discuss the proposal after receiving a timely deficiency notice from the company under Rule 14a-8(b)(1)(iii) and Rule 14a-8(f)(1). See *Chevron Corp.* (avail. Apr. 4, 2023); *CDW Corp.* (avail. Mar. 28, 2023); *The Allstate Corp.* (avail. Jan. 23, 2023); *Textron, Inc.* (avail. Jan. 23, 2023); *Molina Healthcare, Inc.* (avail. Jan. 17, 2023); and *AmerisourceBergen Corp.* (avail. Jan. 12, 2023).

Consistent with the precedent cited above, the Company intends to exclude the Stockholder Proposal under Rule 14a-8(b)(1)(iii) and Rule 14a-8(f)(1) because, despite receiving timely and proper notice of this deficiency pursuant to Rule 14a-8(f)(1), the Proponent has not provided a written statement regarding his ability to meet with the Company, as required by Rule 14a-8(b)(1)(iii).

Conclusion

For the foregoing reasons, we respectfully request that the Staff concur that the Stockholder Proposal may be excluded from the Company's 2024 Proxy Materials pursuant to Rule 14a-8(b)(1)(i), 14a-8(b)(1)(iii), and Rule 14a-8(f)(1). If the Staff has any questions regarding this request or requires additional information, please contact the undersigned by phone at 919.328.8819 or by email at mkusel@robinsonbradshaw.com.

Sincerely,



Matthew Kusel

cc: Chris Mueller
Ashley Durbin (Culp, Inc.)

Exhibit A

Stockholder Proposal from the Proponent

January 28, 2024

Culp, Inc.
1823 Eastchester Drive
High Point, NC 27265

Members of the board.

My name is Chris Mueller, and I would like to submit a shareholder proposal for the 2024 annual shareholder meeting. I am an individual investor with a directly registered ownership position in our company. I intend to hold my position through the date of the 2024 annual shareholder meeting. I would be happy to meet with the board to discuss my proposal at any time.

My proposal: Culp Inc. should disclose registered shareholder share totals on 10-Q and 10-K reports. Registered share totals should include separate tallies of shares held by investors in DRS and DSPP form (and Cede if possible). In addition, our company should upgrade its investment plan, and move away from Computershare's boilerplate DirectStock plan.

Several issuers already disclose registered share totals with a couple sentences on each 10-Q or 10-K report. Registered holders are passionate and loyal investors who disclose their personal information to and desire a direct and close relationship with the company they invest with. Registered holder information is of material interest to investors who want to track distribution and commitment of an investor base, and can inspire more long term investors.

Regarding the investment plan, there are several reasons why we should upgrade. First - DirectStock plan does not allow hybrid holding methods in a single account. All accounts are either fully enrolled or fully not enrolled in the plan. Accounts NOT enrolled are "all DRS" (owned exclusively by the investor). By comparison, accounts that are fully enrolled are what Computershare calls DSPP consisting of "shares that underpin the plan".

Second, recurring buys through DirectStock plan are scheduled and predictable - making them prone to arbitrage and manipulation. The purchases tend to be processed through a single broker-dealer (often BofA Securities) and they tend to happen T+3 from the 1st and 15th (excluding weekends and bank holidays). The 2024 dates that these purchases will likely occur for our company are: Jan 5, Jan 19, Feb 6, Feb 21, Ma 6, Mar 20, April 4, April 18, May 6, May 20, June 6, June 21, July 5, July 18, Aug 6, Aug 20, Sept 6, Sept 19, Oct 4, Oct 18, Nov 6, Nov 21, Dec 5, and Dec 19.

Upgrading our investment plan would allow Culp Inc. the ability to allow hybrid registered holding methods and meet the needs of materially interested long term retail investors. It would also allow for our company to either put an end to the predictable and vulnerable recurring purchases, or make sure they are less predictable and vulnerable. While it would represent an additional cost, sponsoring and administering a customized plan will be worth it.

Thank you for your time,



Chris Mueller



Exhibit B

Company Transfer Agent Record of Proponent's Share Ownership

CULP INCDate selected 1/28/2024
Document created 4/8/2024 1:42 PM**Holder**

CHRIS MUELLER

Address

[REDACTED]

ID

[REDACTED]

Share Class	Register	Balance
Grouped by: CULP (CUSIP 230215105)		
COMMON STOCK	Book Entry	1
COMMON STOCK	Certificated	0
	Total	1

Market data for Publicly Traded Securities provided by Xignite Ltd.

Exhibit C

Deficiency Notice, dated February 16, 2024

Culp, Inc.

February 16, 2024

VIA FEDEX

Chris Mueller


Re: Notice of defects (“Notice”) with respect to the shareholder proposal of Chris Mueller, dated January 28, 2024, received by Culp, Inc. on February 5, 2024

Dear Mr. Mueller:

We received your letter on February 5, 2024 regarding a shareholder proposal (the “Proposal”) for the Culp, Inc. (the “Company”) 2024 annual shareholder meeting (the “2024 Annual Meeting”).

It is unclear from your letter if you are seeking to have your Proposal included in the Company’s proxy materials for the 2024 Annual Meeting (the “Proxy Materials”). **Please advise as to whether you are seeking to have your Proposal included in the Company’s Proxy Materials.**

Assuming you are seeking to have your Proposal included in the Company’s Proxy Materials, we are writing to inform you of the following deficiencies with respect to your Proposal under Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”):

- You have failed to demonstrate that you have continuously held the requisite amount of the Company’s securities entitled to vote on your proposal for the requisite period of time to be eligible to submit a proposal as set forth in Rule 14a-8(b)(1) of the Exchange Act.
- You have failed to provide the Company with a written statement containing the business days and specific times that you are available to discuss the proposal with the Company as set forth in Rule 14a-8(b)(1)(iii) of the Exchange Act.

You must transmit your response to the Company within 14 calendar days from receipt of this Notice to remedy these defects.

You state in your Proposal that you have a “directly registered ownership position” in the Company. As of February 15, 2024, according to the records of the Company’s transfer agent, Computershare Trust Company, N.A, your registered ownership position in the Company consists of one share of Company common stock, owned as of August 3, 2023. As such, your “record” holder position, taken on its own, is insufficient to qualify you to be eligible to submit a shareholder proposal pursuant to Rule 14a-8(b)(1) of the Exchange Act. You must demonstrate sufficient share ownership as required by Rule 14a-8(b) of the Exchange Act in order to submit a proposal to be included in the Company’s proxy materials for the 2024 Annual Meeting. For additional details on how you may demonstrate your eligibility to submit a proposal, see Rule 14a-8(b)(2) of the Exchange Act, a copy of which is attached to this Notice. In addition, we reproduce Rule 14a-8(b)(2) here:

(2) One of the following methods must be used to demonstrate your eligibility to submit a proposal:

(i) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the meeting of shareholders.

(ii) If, like many shareholders, you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(A) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held at least \$2,000, \$15,000, or \$25,000 in market value of the company's securities entitled to vote on the proposal for at least three years, two years, or one year, respectively. You must also include your own written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the shareholders' meeting for which the proposal is submitted; or

(B) The second way to prove ownership applies only if you were required to file, and filed, a Schedule 13D (§ 240.13d-101), Schedule 13G (§ 240.13d-102), Form 3 (§ 249.103 of this chapter), Form 4 (§ 249.104 of this chapter), and/or Form 5 (§ 249.105 of this chapter), or amendments to those documents or updated forms, demonstrating that you meet at least one of the share ownership requirements under paragraph (b)(1)(i)(A) through (C) of this section. If you have filed one or more of these documents with the SEC, you may demonstrate your eligibility to submit a proposal by submitting to the company:

(1) A copy of the schedule(s) and/or form(s), and any subsequent amendments reporting a change in your ownership level;

(2) Your written statement that you continuously held at least \$2,000, \$15,000, or \$25,000 in market value of the company's securities entitled to vote on the proposal for at least three years, two years, or one year, respectively; and

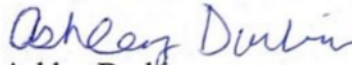
(3) Your written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with

paragraph (b)(1)(i)(A) through (C) of this section, through the date of the company's annual or special meeting.

There may be other deficiencies with respect to your proposal, procedural or substantive, including pursuant to Rule 14a-8(i) of the Exchange Act. The Company reserves its right to exclude your proposal from its proxy statement for the 2024 Annual Meeting for any reason permitted under Rule 14a-8 of the Exchange Act or otherwise permitted by law. This Notice is being sent to you solely to notify you of the deficiencies identified in the second paragraph of this Notice. In addition, if you do not respond to the Company and remedy the defects identified in this Notice within 14 calendar days of receipt of this Notice, the Company may seek to exclude the Proposal from its proxy materials.

Thank you for your inquiry and your interest in Culp.

Sincerely,



Ashley Durbin

Senior Vice President, General Counsel and
Corporate Secretary

Attachments: Copy of Rule 14a-8 of the Exchange Act

Regulation 14A

Regulation 14A Rule 14a-8

<http://www.rbsourcefilings.com/document/read/R19-IDANDNQ-R19-IDA0JPQ>

Rule 14a-8. Shareholder Proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) Question 1: What is a proposal?

A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?

(1) To be eligible to submit a proposal, you must satisfy the following requirements:

(i) You must have continuously held:

(A) At least \$2,000 in market value of the company's securities entitled to vote on the proposal for at least three years; or

(B) At least \$15,000 in market value of the company's securities entitled to vote on the proposal for at least two years; or

(C) At least \$25,000 in market value of the company's securities entitled to vote on the proposal for at least one year; or

(D) The amounts specified in [paragraph \(b\)\(3\)](#) of this section. This [paragraph \(b\)\(1\)\(i\)\(D\)](#) will expire on the same date that [§ 240.14a-8\(b\)\(3\)](#) expires; and

(ii) You must provide the company with a written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with [paragraph \(b\)\(1\)\(i\)\(A\)](#) through [\(C\)](#) of this section, through the date of the shareholders' meeting for which the proposal is submitted; and

(iii) You must provide the company with a written statement that you are able to meet with the company in person or via teleconference no less than 10 calendar days, nor more than 30 calendar days, after submission of the shareholder proposal. You must include your contact information as well as business days and specific times that you are available to discuss the proposal with the company. You must identify times that are within the regular business hours of the company's principal executive offices. If these hours are not disclosed in the company's proxy statement for the prior year's annual meeting, you must identify times that are between 9 a.m. and 5:30 p.m. in the time zone of the company's

principal executive offices. If you elect to co-file a proposal, all co-filers must either:

(A) Agree to the same dates and times of availability, or

(B) Identify a single lead filer who will provide dates and times of the lead filer's availability to engage on behalf of all co-filers; and

(iv) If you use a representative to submit a shareholder proposal on your behalf, you must provide the company with written documentation that:

(A) Identifies the company to which the proposal is directed;

(B) Identifies the annual or special meeting for which the proposal is submitted;

(C) Identifies you as the proponent and identifies the person acting on your behalf as your representative;

(D) Includes your statement authorizing the designated representative to submit the proposal and otherwise act on your behalf;

(E) Identifies the specific topic of the proposal to be submitted;

(F) Includes your statement supporting the proposal; and

(G) Is signed and dated by you.

(v) The requirements of [paragraph \(b\)\(1\)\(iv\)](#) of this section shall not apply to shareholders that are entities so long as the representative's authority to act on the shareholder's behalf is apparent and self-evident such that a reasonable person would understand that the agent has authority to submit the proposal and otherwise act on the shareholder's behalf.

(vi) For purposes of [paragraph \(b\)\(1\)\(i\)](#) of this section, you may not aggregate your holdings with those of another shareholder or group of shareholders to meet the requisite amount of securities necessary to be eligible to submit a proposal.

(2) One of the following methods must be used to demonstrate your eligibility to submit a proposal:

(i) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with [paragraph \(b\)\(1\)\(i\)\(A\)](#) through [\(C\)](#) of this section, through the date of the meeting of shareholders.

(ii) If, like many shareholders, you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(A) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held at least \$2,000, \$15,000, or \$25,000 in market value of the company's securities entitled to vote on the proposal for at least three years, two years, or one year, respectively. You must also include your own written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with [paragraph \(b\)\(1\)\(i\)\(A\)](#) through [\(C\)](#) of this section, through the date of the shareholders' meeting for which the proposal is submitted; or

(B) The second way to prove ownership applies only if you were required to file, and filed, a [Schedule 13D](#) (§ 240.13d-101), [Schedule 13G](#) (§ 240.13d-102), [Form 3](#) (§ 249.103 of this chapter), [Form 4](#) (§ 249.104 of this chapter), and/or [Form 5](#) (§ 249.105 of this chapter), or amendments to those documents or updated forms, demonstrating that you meet at least one of

the share ownership requirements under [paragraph \(b\)\(1\)\(i\)\(A\)](#) through [\(C\)](#) of this section. If you have filed one or more of these documents with the SEC, you may demonstrate your eligibility to submit a proposal by submitting to the company:

- (1) A copy of the schedule(s) and/or form(s), and any subsequent amendments reporting a change in your ownership level;
- (2) Your written statement that you continuously held at least \$2,000, \$15,000, or \$25,000 in market value of the company's securities entitled to vote on the proposal for at least three years, two years, or one year, respectively; and
- (3) Your written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with [paragraph \(b\)\(1\)\(i\)\(A\)](#) through [\(C\)](#) of this section, through the date of the company's annual or special meeting.

(3) [Expired January 1, 2023; See [SEC Release No. 34-89964](#); September 23, 2020.]

(c) Question 3: How many proposals may I submit?

Each person may submit no more than one proposal, directly or indirectly, to a company for a particular shareholders' meeting. A person may not rely on the securities holdings of another person for the purpose of meeting the eligibility requirements and submitting multiple proposals for a particular shareholders' meeting.

(d) Question 4: How long can my proposal be?

The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) Question 5: What is the deadline for submitting a proposal?

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on [Form 10-Q](#) ([§ 249.308a](#) of this chapter), or in shareholder reports of investment companies under [§ 270.30d-1](#) of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal 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. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to [Questions 1](#) through [4](#) of this [Rule 14a-8](#)?

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. 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. If the company intends to exclude the proposal, it will later have to make a

submission under [Rule 14a-8](#) and provide you with a copy under [Question 10](#) below, [Rule 14a-8\(j\)](#).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded?

Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) Question 8: Must I appear personally at the shareholders' meeting to present the proposal?

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?

(1) **Improper Under State Law:** If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to [Paragraph \(i\)\(1\)](#): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) **Violation of Law:** If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to [Paragraph \(i\)\(2\)](#): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) **Violation of Proxy Rules:** If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including [Rule 14a-9](#), which prohibits materially false or misleading statements in proxy soliciting materials;

(4) **Personal Grievance; Special Interest:** If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) **Relevance:** If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) **Absence of Power/Authority:** If the company would lack the power or authority to implement the proposal;

(7) **Management Functions:** If the proposal deals with a matter relating to the company's ordinary business operations;

(8) **Director Elections:** If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) **Conflicts with Company's Proposal:** If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to [Paragraph \(i\)\(9\)](#): A company's submission to the Commission under this [Rule 14a-8](#) should specify the points of conflict with the company's proposal.

(10) **Substantially Implemented:** If the company has already substantially implemented the proposal;

Note to [Paragraph \(i\)\(10\)](#): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to [Item 402 of Regulation S-K](#) (§ 229.402 of this chapter) or any successor to [Item 402](#) (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by [§ 240.14a-21\(b\)](#) of this chapter a single year (*i.e.*, one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by [§ 240.14a-21\(b\)](#) of this chapter.

(11) **Duplication:** If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) **Resubmissions.** If the proposal addresses substantially the same subject matter as a proposal, or proposals, previously included in the company's proxy materials within the preceding five calendar years if the most recent vote occurred within the preceding three calendar years and the most recent vote was:

(i) Less than 5 percent of the votes cast if previously voted on once;

(ii) Less than 15 percent of the votes cast if previously voted on twice; or

(iii) Less than 25 percent of the votes cast if previously voted on three or more times.

(13) **Specific Amount of Dividends:** If the proposal relates to specific amounts of cash or stock dividends.

(j) **Question 10: What procedures must the company follow if it intends to exclude my proposal?**

(1) If the 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. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company

files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) Question 11: May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) Question 12: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) Question 13: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, [Rule 14a-9](#), you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before it files definitive copies of its proxy statement and form of proxy under [Rule 14a-6](#).

Exhibit D

Delivery of Deficiency Notice Confirmation from Federal Express

Kusel, Matthew D.

From: TrackingUpdates@fedex.com
Sent: Monday, February 19, 2024 9:59 AM
To: Kusel, Matthew D.
Subject: FedEx Shipment 775215450983: Your package has been delivered
Attachments: DeliveryPicture.jpeg



Hi. Your package was
delivered Mon, 02/19/2024 at
9:52am.



Delivered to [REDACTED]

[OBTAIN PROOF OF DELIVERY](#)



Delivery picture not showing? [View](#) in browser.

How was your delivery ?



TRACKING NUMBER	775215450983
FROM	Culp, Inc. 1823 Eastchester Drive HIGH POINT, NC, US, 27265
TO	Chris Mueller [REDACTED] [REDACTED]
REFERENCE	02340.00010
SHIPPER REFERENCE	02340.00010
SHIP DATE	Fri 2/16/2024 06:51 PM
DELIVERED TO	Residence
PACKAGING TYPE	FedEx Envelope
ORIGIN	HIGH POINT, NC, US, 27265
DESTINATION	[REDACTED]

SPECIAL HANDLING	Deliver Weekday Residential Delivery No Signature Required
NUMBER OF PIECES	1
TOTAL SHIPMENT WEIGHT	0.50 LB
SERVICE TYPE	FedEx Priority Overnight®



FedEx Delivery Manager® puts you in control

Enroll for free and get more visibility and control for your deliveries from start to finish. And if you need to make a return, our network of [10,000+ locations](#) makes drop off easy.

[ENROLL NOW](#)

FOLLOW FEDEX



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Thank you for your business.

Exhibit E

All Other Correspondence between Company and Shareholder Proponent

Kusel, Matthew D.

From: Kusel, Matthew D.
Sent: Friday, April 5, 2024 3:51 PM
To: 'Chris Mueller'
Subject: RE: Culp, Inc. Shareholder Proposal - Request to Withdraw

Hi Chris,

We are still speaking with the company.

Best,
Matt

Matthew D. Kusel

Pronouns: He/Him/His

Robinson Bradshaw

t : 919.328.8819
1450 Raleigh Road, Suite 100
Chapel Hill, NC 27517

mkusel@robinsonbradshaw.com | [Bio](#)
robinsonbradshaw.com

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From: Chris Mueller <[REDACTED]>
Sent: Friday, April 5, 2024 8:43 AM
To: Kusel, Matthew D. <MKusel@robinsonbradshaw.com>
Subject: Fwd: Culp, Inc. Shareholder Proposal - Request to Withdraw

Hi Matthew,

I didn't ever year back from you on this email. I'm just following up.

Chris

----- Forwarded message -----

From: Chris Mueller <[REDACTED]>
Date: Wed, Mar 27, 2024 at 2:52 PM
Subject: Re: Culp, Inc. Shareholder Proposal - Request to Withdraw
To: Kusel, Matthew D. <MKusel@robinsonbradshaw.com>

Hi Matthew,

Can you check with Culp and see if they're willing to add registered SHARE totals to just the future 10-K reports (which should be filed in July). Last years 10-K disclosure looked like this:

"Culp, Inc. common stock is traded on the New York Stock Exchange (NYSE) under the symbol CULP. As of April 30, 2023, Culp, Inc. had approximately 3,239 shareholders based on the number of holders of record and an estimate of individual participants represented by security position listings."

Disclosing record holders is mandatory I believe, but disclosing record holders without disclosing SHARE totals is like telling you 22 people played football in a game without telling you the score itself.

Please check with Culp and let me know. I'd be happy to set up a call if you'd like.

Chris Mueller

On Wed, Mar 27, 2024 at 10:09 AM Kusel, Matthew D. <MKusel@robinsonbradshaw.com> wrote:

Mr. Mueller,

On behalf of Culp, Inc. ("Culp"), I am writing in reference to the letter you sent to Culp, dated January 28, 2024 and received by Culp on February 5, 2024 (the "shareholder proposal"), along with Culp's response letter dated February 16, 2024, which arrived at the address you provided in the shareholder proposal on February 19, 2024 (the "deficiency notice"). Pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, and as set forth in the deficiency notice, you were required to provide Culp with a response remedying the defects noted in the deficiency notice within 14 calendar days of receipt thereof. As of today, Culp has not received any response to the deficiency notice.

We kindly request that you withdraw your shareholder proposal. We note that you have sent similar shareholder proposals to Spok Holdings, Inc. and PHX Minerals Inc., which proposals you withdrew on March 7, 2024 and March 20, 2024, respectively, after those companies' counsel noted similar deficiencies to those set forth in our deficiency notice and requested no-action relief from the Securities and Exchange Commission ("SEC"). In an effort to avoid the costs of preparing and submitting a no-action request to the SEC, we ask that you withdraw your request now, prior to Culp incurring such costs and filing the appropriate documents with the federal regulators.

We appreciate your consideration, and ask that you respond via e-mail. We have also sent this request to the address you provided via Federal Express. If you wish to discuss, please call or e-mail me.

Thank you,

Matthew D. Kusel

Pronouns: He/Him/His

Robinson Bradshaw

t : 919.328.8819

1450 Raleigh Road, Suite 100

Chapel Hill, NC 27517

mkusel@robinsonbradshaw.com | [Bio](#)
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