Via E-Mail

March 11, 2024

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File No. S7-14-23

Dear Madam Secretary:

I am writing on behalf of the Council of Institutional Investors (CII). CII is a nonprofit, nonpartisan association of United States (U.S.) public, corporate and union employee benefit funds, other employee benefit plans, state and local entities charged with investing public assets, and foundations and endowments with combined assets under management of approximately $4 trillion. Our member funds include major long-term shareowners with a duty to protect the retirement savings of millions of workers and their families, including public pension funds with more than fifteen million participants – true “Main Street” investors through their pension funds. Our associate members include non-U.S. asset owners with about $4 trillion in assets, and a range of asset managers with more than $40 trillion in assets under management.¹

This letter is in response to the Securities and Exchange Commission’s (SEC or Commission) invitation to comment on its semiannual regulatory agenda (Agenda).² In responding to the Agenda, we note that CII’s current SEC rulemaking priorities fall into the following three categories: (1) Investor Rights and Protections; (2) Corporate Disclosure; and (3) Market Systems & Structure.³

¹ For more information about the Council of Institutional Investors (CII), including its board and members, please visit CII’s website at http://www.cii.org.
³ See CII Advocacy Priorities (as of Mar. 11, 2024), https://www.cii.org/advocacy_priorities#:~:text=Investor%20Rights%20%26%20Protection%3A,express%20their%20voice%20or%20proposals.
1. Investor Rights and Protections

We include under this heading our February 29, 2024, petition for rulemaking regarding traceability of shares (2024 Petition). We believe, consistent with the 2024 Petition, the SEC should add a project to its agenda that would protect investor rights to recover losses under Section 11 of the Securities Act of 1933 (Section 11).

Protecting Investor Rights under Section 11

The 2024 Petition states in relevant part:

The Council of Institutional Investors (CII or Council) respectfully asks the Securities and Exchange Commission (SEC or Commission) to initiate a rulemaking to protect investors’ rights under Section 11 of the Securities Act of 1933 (Section 11) by endorsing and requiring technological solutions to facilitate the tracing of shares sold into the marketplace by direct listings and traditional initial public offerings (IPOs).

On multiple occasions in the past, the Council has urged the Commission, consistent with our membership-approved policies, to use available technology to protect investors through comprehensive reform of the so-called “proxy plumbing” system. The Council continues to believe that a comprehensive update of the U.S. proxy system, while continuing to make short-term improvements, would be the best way forward for investor protection.

That said, there is an immediate need to respond to the recent U.S. Supreme Court (Court) decision in Slack Technologies, LLC v. Pirani (Slack), 143 S. Ct. 542 (2023), which affirmed, in a suit brought under Section 11, that the shareholder must be able to “trace” his or her shares to a registration statement covering those shares. The problem is acute, given the ability of investors to purchase shares issued through direct listings, as well as IPOs, thus raising new issues regarding traceability of shares brought to market through one medium rather than the other.

Section 11 provides a fundamental protection for investors in new, publicly traded companies because it creates a “virtually absolute” liability for companies, their directors, underwriters, and advisors if there is any misrepresentation or omission

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of any material information in a registration statement. Section 11 is arguably the single most important investor protection provision in the entirety of the federal securities laws.

Investors seeking to pursue remedies under Section 11 must establish that they purchased shares pursuant to a registration statement, thus demonstrating that their shares are “traceable” to that statement. Until recently, traceability was not an issue, given that underwriters generally imposed a lockup period for insiders and early investors after a registration statement became effective. Such a lockup period prevented insiders and early investors from selling unregistered shares acquired before the public offering.

With the advent of direct listings, it became possible for unregistered shares to be sold alongside shares issued pursuant to a registration statement, thus complicating questions of traceability for Section 11 plaintiffs. Last June in Slack the Court found that, notwithstanding these multiple sources of shares being sold to the public, a Section 11 plaintiff must nonetheless establish that his or her shares were purchased pursuant to a registration statement and not through a direct listing of unregistered shares.

We believe the Slack decision underscores the need for the Commission to take prompt action related to our long-standing request to protect investors’ rights under Section 11. One potential response was suggested by a working group of academics, former SEC officials and legal scholars who proposed that the Commission amend SEC Rule 144 to limit sales of unregistered securities for a certain period of time after the effectiveness of a registration statement (WG Petition). The working group proposed this approach as a way to potentially balance the interests of insiders and early investors in being able to sell unregistered shares against the interest of public shareholders in having an effective remedy under Section 11. Last October, CII filed comments in general support of that concept.

[Our 2024 Petition urges] . . . an alternative approach, namely, requiring the use of technology that would facilitate tracing to deal with situations such as occur in Section 11 cases. To put the point in context, there is no shortage of alternatives that the Commission could pursue to re-invigorate Section 11. The issue is not whether, but how to do so.

. . . Two potential approaches have been recently identified by former SEC Chair Jay Clayton and former Commissioner Joseph A. Grundfest. In a brief filed as amici curiae in the Slack case they stated that the Commission could:

1. Require that registered and exempt shares offered in a direct listing trade with differentiated tickers, at least until expiration of the relevant Section 11 statute of limitations; or
2. Migrate the entire clearance and settlement system to a distributed ledger system or to other mechanisms to allow the tracing of individual shares as individual shares, and not as fractional interests in larger commingled electronic book entry accounts.

We note that the second more ambitious approach is aligned with the recommendation CII submitted to the SEC in connection with its 2018 Roundtable on the Proxy Process.

A third potential approach for our proposed rulemaking was described in a recent study by Professors John C. Coffee, Jr., and Joshua Mitts (“C&M Study”). The C&M Study advocates various steps using modern computing power to trace the purchase of shares to an allegedly misleading registration statement. As they point out, broker-dealers, exchanges and the Financial Industry Regulatory Authority (FINRA) must all maintain detailed, timestamped transactional records, which show when securities in one account are transferred to another account.

As these three proposed technological solutions illustrate, the Commission has a number of potential options available to update and enhance the protections afforded under Section 11. The Council thus asks the Commission to open a rulemaking that endorses and requires technological solutions that would facilitate the tracing or attribution of individual shares to a registration statement in connection with a direct listing or a traditional IPO.7

2. Corporate Disclosure

We include under this heading our continued support for the SEC adding a new project to the Agenda to close a loophole in regulation governing the use of financial measures based on something other than Generally Accepted Accounting Principles (GAAP).9

Non-GAAP Financial Measures

CII reiterates the request it first made in a 2019 rulemaking petition (2019 Petition) that the Commission add a new project to its Agenda to require disclosure of a (1) quantitative reconciliation to GAAP of non-GAAP financial measures used to determine executive compensation.

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7 See Jeffrey P. Mahoney, General Counsel, Counsel of Institutional Investors to Ms. Vanessa A. Countryman, Secretary, Securities and Exchange Commission at 1-6 (emphasis added and footnotes omitted).
8 See CII Advocacy Priorities, Corporate Disclosure (as of Feb. 19, 2024), https://www.cii.org/advocacy_priorities (discussing CII advocacy of “Transparency and safeguards around executive trading in company stock” and “Enhanced transparency of share buybacks”).
9 See CII Advocacy Priorities, Corporate Disclosure (“CII generally supports required disclosure of: . . . Transparency of executive compensation”).
compensation; and (2) a qualitative description of why the non-GAAP financial measures are better for determining executive pay than GAAP financial measures.\(^\text{10}\)

We note that “[n]on-GAAP disclosures are one of the most common issues in financial reporting.”\(^\text{11}\) And “almost all large publicly traded companies make them, and such disclosures typically paint a more positive picture of corporate performance than comparable GAAP disclosures.”\(^\text{12}\) And many of these same companies use non-GAAP earnings as a key criterion in setting executive compensation.\(^\text{13}\) The result is that currently the “use of non-GAAP adjustments to determine incentive plan payouts is a common practice among companies of all sizes and industry sectors.”\(^\text{14}\)

A 2023 research paper co-authored by the SEC’s former Chief Economist and Director of the Division of Economic and Risk Analysis provides new empirical evidence indicating that companies are engaging in an opportunistic use of non-GAAP earnings to justify higher executive compensation.\(^\text{15}\) The paper recommends, generally consistent with our 2019 Petition, that:

\[\text{[C]omensation committees of all public companies might consider (i) prominently disclosing the amount of difference between the non-GAAP criteria used by the committee and the relevant GAAP numbers; and (ii) providing a justification for}\]

\(^\text{10}\) See Letter from Kenneth A. Bertsch, Executive Director, CII et al. to Vanessa Countryman, Acting Secretary, Securities and Exchange Commission 1 (Apr. 29, 2019), https://www.cii.org/files/issues_and_advocacy/correspondence/2019/20190426%20CII%20Petition%20revised%20on%20Non-GAAP%20Financials%20in%20Proxy%20Statement%20CDAs.pdf (“The Council of Institutional Investors respectfully submits this petition to the Securities and Exchange Commission (Commission) requesting that the Commission (1) initiate a rule change to amend Item 402(b) of Regulation S-K [17 CFR 229.402(b)] . . . to eliminate Instruction 5; and (2) revise the Division of Corporation Finance’s Compliance & Disclosure Interpretations on ‘Non-GAAP Financial Measures’ consistent with the aforementioned amendment and to provide that all non-GAAP financial measures presented in the proxy statement Compensation Discussion & Analysis (CD&A) are subject to the requirements of Regulation G [17 CFR 244.101-102] and Item 10(e) of Regulation S-K [17 CFR 10(c)] and that the required reconciliation shall be included within the proxy statement or made accessible through a hyperlink in the CD&A”).


\(^\text{12}\) Id.; see Nicholas Guest et al., How Do Large Positive Non-GAAP Earnings Adjustments Predict Abnormal High CEO Pay?, Harv. L. Sch. F. on Corp. Governance (Feb. 16, 2023), https://corpgov.law.harvard.edu/2023/02/16/why-do-large-positive-non-gaap-earnings-adjustments-predict-abnormally-high-ceo-pay/ (“About two-thirds of S&P 500 firms announce non-GAAP earnings, which are 23% larger than GAAP earnings on average.”).

\(^\text{13}\) See Nicholas Guest et al., How Do Large Positive Non-GAAP Earnings Adjustments Predict Abnormal High CEO Pay?, Harv. L. Sch. F. on Corp. Governance (“Moreover, many of these same companies use non-GAAP earnings as a key criterion in setting CEO pay”).


\(^\text{15}\) See Nicholas Guest et al., How Do Large Positive Non-GAAP Earnings Adjustments Predict Abnormal High CEO Pay?, Harv. L. Sch. F. on Corp. Governance (“it appears likely that an economically meaningful fraction of CEO pay, especially of CEOs with a heightened need to justify their pay, is attributable to opportunistic use of non-GAAP earnings [and] . . . legitimizing high CEO pay appears to be one of potentially multiple reasons for firms to use non-GAAP earnings in contracting”).
why the committee chose to use non-GAAP criteria in setting executive compensation.16

More recently, prominent financial analyst and accountant Jack Ciesielski endorsed CII’s 2019 Petition commenting:

“I think it’s a great idea that they include a reconciliation of the GAAP-to-non-GAAP measures used to award compensation based on such targets,” . . .

“It’s only fair to let the owners of the company see the targets that managements have decided should determine their own pay. It’s almost like giving them a blank check,” . . .”17

In addition, in October 2023 Institutional Shareholder Services (ISS) summarized the results of its “2023 Global Benchmark Policy Survey, which opened on August 29 and closed on September 21, 2023” (ISS Survey).18 We believe several of the findings of the ISS Survey results support the need for our 2019 Petition, including:

• “U.S. companies routinely use non-GAAP metrics in their incentive pay programs, and the performance results (and consequently the payouts) can be significantly affected by the non-GAAP adjustments approved by the board.”19

• “[M]any companies do not disclose in the proxy statement a line-item reconciliation of non-GAAP to GAAP for incentive program metrics.”20

• “Recent events resulting in increased investor scrutiny of non-GAAP adjustments include direct and indirect COVID-19 related impacts, adjustments related to the Russia-Ukraine conflict, and costs arising from litigation.”21

• “A growing number of investors believe that disclosure of line-item reconciliation is needed to make an informed assessment of executives’ incentive pay.”22

• “When asked if companies should disclose a line-item reconciliation of non-GAAP adjustments to incentive pay metrics in the proxy statement, 60 percent of investor respondents replied that line-item reconciliations should always be disclosed . . .”23

19 Id. at 9 (emphasis added).
20 Id. (emphasis added).
21 Id. (emphasis added).
22 Id. (emphasis added).
23 Id. at 5 (emphasis added).
Finally, a 2024 report by Intelligize discussing the SEC’s Pay for Performance rule and the 2019 Petition concludes that “as shareholders’ understanding of executive compensation and related performance measures rises, there will be increased scrutiny of the relationship between non-GAAP financial performance measurers and executive compensation.” CII agrees and, therefore, for all of the above reasons continues to believe it is imperative that the SEC promptly propose a rule to require, at a minimum, that companies include a hyperlink to a quantitative GAAP reconciliation for any non-GAAP financial measures contained in their CD&A.

3. Market Systems & Structure

We include under this heading our support for the “Division of Trading and Markets – Final Rule Stage” categorization of the SEC’s Agenda projects on “Regulation Best Execution,” and Regulation NMS: Minimum Pricing Increments, Access Fees, and Transparency of Better Priced Orders” (Regulation NMS). We also include under this heading a reiteration of our request that the SEC consider giving a higher priority to its Agenda project on “Proxy Process Amendments.”

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26 See, e.g., Letter from Jeffrey P. Mahoney, General Counsel, CII to Vanessa A. Countryman, Secretary, Securities and Exchange Commission 8 (Mar. 16, 2023), https://www.cii.org/files/issues_and_advocacy/correspondence/2023/March%2016%202023%20Reg%20Flex%20Letter%20final.pdf (“CII believes it is imperative that the SEC propose a rule to require, at a minimum, that companies include a hyperlink to a GAAP reconciliation for any non-GAAP pay targets contained in their CD&A.”).
28 89 Fed. Reg. at 9,729.
31 See CII Advocacy Priorities, Market Systems & Structure (referencing “End-to end vote confirmation”).
We applaud the Commission for the March 6, 2024, adoption of “rule amendments that update the disclosure required under Rule 605[33] . . . for order executions in national market system stocks.”[34] We believe the increased transparency of the updated Rule 605 should be followed by final rules on Regulation Best Execution and Regulation NMS.

Regulation Best Execution

Since 1998 CII has had a membership-approved policy that emphasizes the importance of best execution. That policy states in relevant part:

We . . . have the broader duty to communicate the interests and desires of the institutional investor community to regulators, to the public and to the industry regarding trading practices and commissions.

. . . [B]rokerage industry practices . . . make it difficult to break out the exact costs of services (for trade execution, research or other things), may be antithetical to the fiduciary obligation of obtaining best execution, and hold too much potential for conflicts of interest and abuses.

. . . .

Clarity and transparency of disclosure of all money management and brokerage arrangements is essential, and it is up to plan sponsors to require it. Simple reliance on brokers, money managers and consultants for volunteered information is insufficient to discharge the obligations of plan fiduciaries. Plan sponsors should require regular reports and affirmative representations that fiduciaries are pursuing best execution in their trading practices.[35]

In CII’s comment letter in response to the Regulation Best Execution proposal, we stated:

Consistent with our policy on Guiding Principles for Trading Practices, Commission Levels, Soft Dollars and Commission Recapture, which includes two references to “best execution,” we generally agree with Chair [Gary] Gensler that a “best execution standard at the Commission level . . . would lead to better execution for retail and institutional investors.” We, however, have concerns with two provisions of the BestEx Proposal and their potential impact on brokers’ potential best execution obligations for institutional investors: Proposed exemption for an institutional customer; and omission of a proposed requirement for order-by-order decision making.[36]

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In July 2023, we participated in a meeting with SEC Chair Gensler and staff in which our two concerns with the Regulation Best Execution proposal were discussed.  

We are confident that those concerns will be adequately addressed, and we look forward to the issuance of the final rule.

**Regulation NMS**

Our 1998 membership-approved policy emphasizing the importance of best execution has also been a basis for our long-standing concerns that the structure of stock exchange access fees and rebates may present conflicts of interest for broker-dealers affecting their order routing decisions and lowering the execution quality for institutional investors.

In CII’s comment letter in response to the Regulation NMS proposal, we explained:

> Consistent with our policy . . ., CII has long raised concerns that the structure of stock exchange access fees and rebates may present conflicts of interest for broker-dealers affecting their order routing decisions and lowering the execution quality for institutional investors. That continuing concern leads us to generally support the NMS Proposal provisions described as “Lower Access Fee Cap” and “Exchange Fees and Rebates Determinable at the Time of Execution.” We agree with SEC Chair Gary Gensler that when “[t]aken together, this transparency and change to access fee caps would drive efficiency, competition, and fairness in our markets” to the benefit of long-term institutional investors.

CII generally supports a uniform reduction in the access fee cap set by Rule 610 to ten “mils” per share. Although other trading costs have dramatically declined since the rule was adopted, stock exchanges in most cases continue to charge the maximum fee that is pegged by the regulation. When institutional investors trade on an exchange, they more often need to “take” liquidity by accessing exchange quotes, rather than “making” liquidity by providing quotes. As a

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38 See, e.g., Letter from Jeffrey P. Mahoney, General Counsel, CII to Brent J. Fields, Secretary, Securities and Exchange Commission 2 (May 10, 2018), https://www.sec.gov/comments/s7-05-18/s70518-3621501-162362.pdf (“We are particularly troubled by evidence cited by the Commission that ‘shows lower execution quality, in terms of reduced probability of execution or increased time to execution, for non-marketable limit orders on exchanges that pay high rebates [and] [t]hus broker-dealers may route orders to exchanges that have the best quoted prices but are suboptimal for customers in other ways because orders are either less likely or take longer to execute.’”).

39 Letter from Jeffrey P. Mahoney, General Counsel, CII to Vanessa A. Countryman, Secretary, Securities and Exchange Commission at 2-3 (footnotes omitted).

40 See Access to Quotations, 17 C.F.R. § 242.610(c) (2005), available at https://www.law.cornell.edu/cfr/text/17/242.610 (“A trading center shall not impose, nor permit to be imposed, any fee or fees for the execution of an order against a protected quotation of the trading center or against any other quotation of the trading center that is the best bid or best offer of a national securities exchange, the best bid or best offer of The Nasdaq Stock Market, Inc., or the best bid or best offer of a national securities association other than the best bid or best offer of The Nasdaq Stock Market, Inc. in an NMS stock that exceed or accumulate to more than the following limits: (1) If the price of a protected quotation or other quotation is $1.00 or more, the fee or fees cannot exceed or accumulate to more than $0.003 per share; or (2) If the price of a protected quotation or other quotation is less than $1.00, the fee or fees cannot exceed or accumulate to more than 0.3% of the quotation price per share.”).
result, institutional investors disproportionately bear the burden of high access fees, which function as a “hidden tax” on exchange liquidity. Our position is generally consistent with the overwhelming sentiment expressed by numerous individual comment letters from institutional investors, including public pension funds.41

We also note that our broad support for provisions of the Regulation NMS proposal is consistent with a 2023 survey of over two hundred institutional investors.42 That survey found:

- “87% of institutional investors agree that modest updates to Regulation NMS will create a more transparent, efficient, and competitive marketplace;”43
- “83% of institutional investors would be in favor of a simple access fee cap structure that would have a uniform 10 mil fee cap for all symbols (reduced from the current cap of 30 mils);”44
- “75% of institutional investors agree that exchange rebates are not a deciding factor in their decision on where to route their orders, and that routing is left for their broker to decide,” and45
- “80% of institutional investors agree that rebates . . . create negative distortions in the competitive landscape, and markets would be more competitive if their impact was reduced.”46

Our general support for provisions of the Regulation NMS proposal is also consistent with the “mostly supportive feedback” from the industry.”47 We look forward to the issuance of the final rule that includes our favored provisions on “Lower Access Fee Cap”48 and “Exchange Fees and Rebates Determinable at the Time of Execution.”49

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41 See, e.g., Letter from Jaime Llano, Senior Director, Head of Trading Investment Management Division Teacher Retirement System of Texas et al. to Vanessa Countryman, Secretary, U.S. Securities and Exchange Commission 2 (Mar. 3, 2023), https://www.sec.gov/comments/s7-30-22/s73022-20163096-333095.pdf (“A reduction in the access fee cap . . . will reduce trading costs for long-term investors and help to reduce the impact of rebates on order routing.”).
43 Id.
44 Id.
45 Id.
46 Id.
48 See, e.g., 87 Fed. Reg. at 80,326 (“The proposal would lower the access fee cap from $0.003 per share (30 mils) to $0.001 per share (10 mils) for NMS stocks priced $1.00 or greater and having a minimum pricing increment greater than $0.001, from $0.003 (30 mils) to $0.0005 (5 mils) for NMS stocks priced $1.00 or greater and a minimum pricing increment of $0.001, and from 0.3% to 0.05% of the share price for stocks with prices less than $1.00.”).
49 Id. at 80,329 (“The proposal requires that exchange fees and rebates be determinable at the time of execution.”).
Proxy Process Amendments

As indicated, we are disappointed that the Commission’s project on “Proxy Process Amendments” continues to remain categorized under “Long-Term Actions” on the Agenda.\textsuperscript{50} We believe the SEC should prioritize the following next steps to improving proxy plumbing: (1) adding to the Agenda proposed rulemaking that requires technological solutions that would facilitate the tracing or attribution of individual shares to a registration statement in connection with a direct listing or a traditional IPO as previously discussed in 1. Investor Rights and Protections; and (2) addressing end-to-end vote confirmation.\textsuperscript{51}

End-to-End Vote Confirmation

In December 2021, a working group co-chaired by the Society for Corporate Governance and CII agreed to provide vote confirmation for 2022 annual shareholder meetings of Fortune 500 companies. Participants included banks, broker-dealers, public companies, tabulators, transfer agents and others in the proxy service community. Broadridge Financial Solutions, Computershare, EQ and Mediant also agreed to provide vote confirmation for all annual meetings for which they tabulate votes, bringing the total covered to more than 2,000 meetings. While well-intentioned, the mechanism they collaborated on proved cumbersome and time-consuming.

This proxy season, automated vote confirmation will be available to institutional investors voting at many but not all U.S. companies. Leading proxy advisory firms Glass Lewis and ISS are providing clients confirmation on their voting platforms that their votes were counted for U.S. companies where Broadridge acts as the tabulator. Other proxy service providers that tabulate votes have expressed interest in making automated vote confirmation available for voting at companies where they are the tabulator.

CII will monitor performance of the vote confirmation mechanisms this proxy season. If these efforts fall short, CII will then urge the Commission to issue a proposed rulemaking requiring end-to-end vote confirmations to end-users, potentially with a phase-in approach starting with the largest companies. The proposed rule could simply require, as former SEC Commissioner Allison Herren Lee has suggested, “all participants in the voting chain to grant to issuers, or their


\textsuperscript{51} See Commissioner Allison Herren Lee, Statement, Protecting the Independence of the Proxy Voting Process: Statement on Amendments Governing Proxy Voting Advice (July 13, 2022), https://www.sec.gov/news/statement/lee-statement-amendments-governing-proxy-voting-advice-071322 (“We know . . . that many shareholders are unable to confirm their shares are voted in accordance with their instructions, a concern that could be addressed through required end-to-end vote confirmations”); John Coates & Robert Pozen, FA Center, Opinion; New SEC Chair Needs to Tackle These Big Issues so the Government Can Do a Better Job for Investors, Mkt. Watch (Dec. 17, 2020), https://www.marketwatch.com/story/new-sec-chair-needs-to-tackle-these-5-big-issues-so-the-government-can-do-a-better-job-for-investors-2020-12-17 (opining that in recent years the Securities and Exchange Commission could have mandated “end-to-end vote confirmation that could improve proxy ‘plumbing,’ [but instead] the SEC set out examples of how proxy advisors could be sued”); see also Cydney Posner, Blog: Coates named Acting Director of Corp Fin, Cooley PubCo, JDSUPRA (Feb. 3, 2021), https://www.jdsupra.com/legalnews/blog-coates-named-acting-director-of-9232130/ (providing background on John Coates and the proxy plumbing issue, including end-to-end vote confirmation).
transfer agents or vote tabulators, access to certain information relating to voting records, for the limited purpose of enabling a shareholder or securities intermediary to confirm how a particular shareholder’s shares were voted.” We believe proposing such a rule, combined with the proposed rulemaking requiring technological solutions to facilitate the tracing of individual shares to a registration statement, is responsive to SEC Chair Gensler’s reported urging that stakeholders not “wait for the proposal [on process amendments] but rather to ‘engage.”

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Thank you for your consideration of CII’s views. If we can answer any questions or provide additional information on the Agenda or this letter, please do not hesitate to contact me.

Sincerely,

Jeffrey P. Mahoney
General Counsel

52 Commissioner Allison Herren Lee, Statement, Protecting the Independence of the Proxy Voting Process: Statement on Amendments Governing Proxy Voting Advice n.6.; cf. Commissioner Allison Herren Lee, Speech at the 2021 ICI Mutual Funds and Investment Management Conference: Every Vote Counts: The Importance of Fund Voting and Disclosure (Mar. 17, 2022), https://www.sec.gov/news/speech/lee-every-vote-counts (“Commenters have suggested tackling this issue in a variety of ways, such as requiring intermediaries, including transfer agents, to transmit the necessary information to confirm votes, while others have suggested that we explore use of a permissioned blockchain to record beneficial ownership and execute votes.”).