



RESPONSIBLE ENDOWMENTS COALITION

April 8, 2013

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, Northeast
Washington D.C. 20549
By email: rule-comments@sec.gov

Re: File No. 4-637, Petition to Require Public Companies to Disclose to Shareholders the Use of Corporate Resources for Political Activities

Dear Ms. Murphy,

We are writing today on to urge the SEC to design and adopt rules requiring disclosure of corporate political spending. In particular we support of petition 4-637 (“to Require Public Companies to Disclose to Shareholders the Use of Corporate Resources for Political Activities”).¹

Petition 4-637 was submitted on August 3, 2011 by a committee of prominent law professors seeking to address the issue of corporate political spending transparency, about which many investors have increasingly become concerned in the past few years. The petition has since received nearly 500,000 comments, illustrating the extensive concern from investors, professors, and citizens alike regarding political expenditures by corporate managers using corporate assets for political purposes without disclosure to shareholders. As students and beneficiaries of our colleges’ endowments, we are also extremely concerned about this issue.

Disclosure of information on corporate political spending is critical for the operation of corporate accountability mechanisms, including those that the Supreme Court has relied upon in its analysis of corporate political speech.² Without mandatory disclosure regulations imposed by the SEC it is not possible for shareholders and beneficiaries of investors to effectively monitor the use of corporate resources for political activities.

¹ Committee on Disclosure of Corporate Political Spending, *SEC Petition for Rulemaking 4-637* (Aug. 2011), <http://www.sec.gov/rules/petitions/2011/petn4-637.pdf>.

² *Citizens United v. Federal Election Commission*, 130 S. Ct. 876 (2010), finding that “...prompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and supporters. Shareholders can determine whether their corporation’s political speech advances the corporation’s interests in making profits, and citizens can see whether elected officials are “in the pocket” of so-called moneyed interests.”

U.S. colleges and universities collectively hold approximately \$400 billion in endowment investments; over a quarter of these are in publicly traded companies.³ Given this enormous financial stake in public corporations, this issue is of particular concern to us.

We are actively organizing on our campuses and nationwide as a part of or with the support of the Responsible Endowments Coalition (REC) to ensure that our endowments are invested responsibly and that our universities are accountable for their investments.

We are organizing to encourage our universities to invest in their communities, divest from fossil fuels, and engage students in their investment decisions. We believe that corporate money has little place in the political debate around our colleges, our climate and our communities.

This means that we have a profound interest in ensuring that corporate funds of companies in which our colleges are invested are not used for political expenditures inimical to their chartered purposes. Without full disclosure, this goal is impossible to achieve.

On behalf of our student organizations, we urge the Commissioners to swiftly implement the disclosure recommendations outlined in petition 4-637.

Sincerely,

Bowdoin Climate Action
Bowdoin College, Bowdoin, ME

M.E.Ch/X.A de UC Berkeley
University of California, Berkeley, CA

California Student Sustainability Coalition
California

Student Sustainability Collective of UC San
Diego, UC San Diego, San Diego, California

Earlham College REInvestment Campaign
Earlham College, Richmond, IN

Divestment at Penn
University of Pennsylvania, Philadelphia, PA

Responsible Investment at Harvard Coalition
Harvard University, Cambridge, MA

Fossil Free WashU
Washington University in St. Louis, St. Louis,
MO

Responsible Investment Organization
Oberlin College, Oberlin, OH

Divest Whitman
Whitman College, Walla Walla, WA

³ National Association of College and University Business Officers, *2011 Commonfund Study of Endowments Final Report* (Mar., 2012).