



# LAIRD NORTON FAMILY FOUNDATION

January 28, 2020

Vanessa A. Countryman, Secretary  
Securities and Exchange Commission  
100 F Street NE Washington, DC 20549-1090  
Via email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: S7-23-19 Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8

Dear Ms. Countryman:

On behalf of the Laird Norton Family Foundation, I welcome the opportunity to provide comments on the proposed changes to the SEC rules governing shareholder resolutions that were introduced on November 5, 2019.

Laird Norton Family Foundation (LNFF) is the foundation of the seventh generation Laird Norton Family; our grantmaking spans issues of a healthy environment, access to quality education, and human and community wellbeing across the U.S. The family our foundation represents is comprised of nearly 500 individuals who would all be considered “main street individual investors” – investors the SEC has said are a priority – and the work we support through our grantmaking often overlaps with issues being raised with public companies through shareholder proposal processes. We are deeply concerned about the proposed changes to the SEC rules and urge the SEC to protect investors’ abilities to help hold publicly traded companies accountable rather than creating higher thresholds and more complex rules.

As of January 2020, LNFF is valued at approximately \$39M and has deployed nearly \$20M in grants nationwide since our founding in 1940. We believe active shareholder engagement with publicly-traded companies adds to our portfolio’s financial value, and also strengthens the abilities of our grantee partners to affect change on issues we care about and spend our grantmaking dollars on. Over the years, shareholder proposals have sparked productive engagements on the very issues the Business Roundtable’s “Statement on the Purpose of the Corporation” says are important for long-term success. In August 2019, more than 180 leading corporations committed to address many of the same issues that shareholders have been raising through shareholder proposals for years.

As a foundation working to preserve and protect the corpus of our portfolio for the long term as well as ensuring returns that allow us to pursue our grantmaking, we are deeply concerned about how environmental, social, and governance issues affect our portfolio. We believe, as an expanding number of investors do, that ESG issues can have a real and tangible impact on our investment portfolio. We strive to invest our portfolio consistent with our mission, seeking to invest in and support companies focused on a sustainable environment, quality education, and healthy individuals and communities.

The shareholder proposal process is one of the most visible and verifiable ways in which investors can practice responsible ownership and raise critical issues with American companies. Investors have a multi-decade history of raising critical issues that have helped companies look at concerns before they become crises that erode shareholder value, increase reputational risk, and harm communities, and we do not want to see this important safeguard for investors lost.

The shareholder proposal process is one of the least costly ways of alerting companies and their investors to emerging issues, assessing shareholder perspectives and improving governance, disclosure, risk management, and performance. Alternatives to shareholder proposals include voting against directors, lawsuits, books and records requests and requests for additional regulations. Each of these is more onerous and adversarial than including a 500-word proposal in the proxy statement for the consideration of shareholders.

As a relatively small foundation with lean staffing capacity, we have relied heavily on our ability to be represented by agents and to work in coordination with other entities whose values and priorities align with our own. The proposed rules improperly impinge on shareholder rights to be represented by agents, and would drastically reduce the ability of our organization to participate in engagement with companies in the future as we have neither the staffing capacity nor expertise to effectively represent our interests directly.

Similarly, proxy advisory firms help individuals and institutional investors by providing independent, efficient, and cost-effective research services to inform their proxy voting decisions. This is particularly crucial where fiduciary responsibilities exist. The proposed amendments will slow this process, create additional costs and burdens to the proxy firms and therefore to their clients, and will unfairly allow companies to interfere in the provision of information to shareholders. As a small institution, we have relied heavily on proxy services and the analysis they provide. This arms-length process is one we value and do not believe the SEC should interfere in. Companies have ample opportunity to share their opinions and justifications with their shareholders.

The existing rules work. The number of shareholder proposals have not increased over the years while the majority of issues that have been raised by shareholder proposals have consistently proven to be timely and important in reducing risk to companies and increasing value to shareholders. The SEC's proposed rules have not demonstrated a sufficient need that would justify impinging on important shareholder rights. Because the proposed rules are arbitrary and capricious and detrimental to the rights of shareholders we urge the SEC to withdraw the proposed rules.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Katie Briggs". The signature is fluid and cursive, with a large loop at the end.

Katie Briggs  
Managing Director  
Laird Norton Family Foundation