



A Family Foundation est. 1959

55 Walls Drive
Fairfield, CT 06824
February 3, 2020

Hon. Jay Clayton, Chairman
US Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

RE: Comments on Proposed Procedural Requirements and Resubmission
Thresholds Under Exchange Act Rule 14a-8 (File Number S7-23-19)

Dear Chairman Clayton,

The Educational Foundation of America (“EFA”) is a 60-year-old family foundation with a legacy of making a positive impact across the United States. We have made this impact through grantmaking and by ensuring the close alignment of our endowment to our grantmaking goals.

We appreciate the opportunity to comment on changes to the shareholder resolution process proposed by the Commission in Exchange Act Release No. 87458, and write today to strongly oppose the changes to Rule 14a-8 proposed in the Release. We believe that the proposed changes will be harmful to our endowment, to our work as grantmakers, and will undermine a corporate engagement process that has been of great value to both companies and investors.

For decades, the shareholder proposal process has served as an effective, efficient, and valuable tool for corporate management and boards to gain a better understanding of shareholder priorities and concerns. The proposed rule changes will make companies far less accountable to shareholders, stakeholders, and the public at large.

Moreover, the proposed rule changes would make the path of investor engagement steeper and more convoluted – adding unnecessary costs and red tape, and making it more difficult for investors to engage in important dialogue about sustainability, prudent risk management, and governance improvements. To date, the shareholder proposal process has served as a cost-effective way for corporate management and boards to gain a better understanding of shareholder priorities and concerns, particularly those of longer-term shareholders concerned about the long-term value of the companies that they own. History is replete with examples of companies changing their policies and practices in light of productive engagement with shareholders. As such, we believe that if investors are constrained in their ability to file

shareholder proposals, we will see a significant decline in the number of meaningful dialogues between investors and the corporations they own on important social and environmental issues with implications for long-term shareholder value.

For these reasons set forth, we believe that the proposed changes do not align with the SEC's stated goals of improving the proxy voting system's accuracy, transparency or effectiveness. As Commissioner Robert Jackson Jr. rightly pointed out in his dissent, "Whatever problems plague corporate America today, too much accountability is not one of them." We agree and are concerned that these changes may not only reduce corporate accountability but also create economic harm, derail improvements to corporate ESG practices and mute the voices of both smaller shareholders and all of the stakeholders that public corporations are ultimately accountable to.

The current system works and should not be significantly altered.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa Beck", with a long horizontal flourish extending to the right.

Melissa Beck
Executive Director
The Educational Foundation of America (EFA)