



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

DIVISION OF  
CORPORATION FINANCE

March 6, 2014

Mary Louise Weber  
Verizon Communications Inc.  
mary.l.weber@verizon.com

Re: Verizon Communications Inc.  
Incoming letter dated December 24, 2013

Dear Ms. Weber:

This is in response to your letters dated December 24, 2013 and January 14, 2014 concerning the shareholder proposal submitted to Verizon by Harold G. Plog. We also have received letters from the proponent dated December 29, 2013 and January 19, 2014. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair  
Special Counsel

Enclosure

cc: Harold G. Plog

\*\*\* FISMA & OMB Memorandum M-07-16 \*\*\*

March 6, 2014

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: Verizon Communications Inc.  
Incoming letter dated December 24, 2013

The proposal provides that the company “desist in its arrogation of any shareowner’s proxy in respect of any subject or matter requiring company action and shareholder approval upon which the shareholder has not voted with the exception of matters incident to the conduct of the meeting.”

We are unable to concur in your view that Verizon may exclude the proposal under rule 14a-8(h). Accordingly, we do not believe that Verizon may omit the proposal from its proxy materials in reliance on rule 14a-8(h).

There appears to be some basis for your view that Verizon may exclude the proposal under rule 14a-8(i)(1) as an improper subject for shareholder action under applicable state law. It appears that this defect could be cured, however, if the proposal were recast as a recommendation or request to the board of directors. Accordingly, unless the proponent provides Verizon with a proposal revised in this manner, within seven calendar days after receiving this letter, we will not recommend enforcement action to the Commission if Verizon omits the proposal from its proxy materials in reliance on rule 14a-8(i)(1).

We are unable to concur in your view that Verizon may exclude the proposal under rule 14a-8(i)(2). Accordingly, we do not believe that Verizon may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(2).

We are unable to concur in your view that Verizon may exclude the proposal under rule 14a-8(i)(7). Accordingly, we do not believe that Verizon may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Sandra B. Hunter  
Attorney-Advisor

**DIVISION OF CORPORATION FINANCE  
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

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**From:** Harry Plog<sup>SMA & OMB Memorandum M-07-16 \*\*\*</sup>  
**Sent:** Sunday, January 19, 2014 3:49 PM  
**To:** shareholderproposals  
**Cc:** Weber, Mary L  
**Subject:** RE: Verizon's "no-action-letter" request

SEC  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, NE  
Washington, D.C. 20549

Re: Shareholder Harold G. Plog's proposal for inclusion in Verizon's 2014 Annual Meeting Proxy Materials

It would appear that Verizon has been afforded further opportunity to support its petition to quash my proposal. I trust that I too may have a "further word".

As I cannot predict which one of all of registrant's assertions might "appear to have some basis" for exclusion of my proposal and that I've already responded to registrant's initial offering (my e-mail of 12-29-2013 attached), I address this supplemental response principally to three points iterated by Verizon in its supplemental letter of January 14, 2013.

1. I, as a proponent, am not required to "refute" or demonstrate anything regarding my proposal's eligibility for inclusion in the proxy materials. It is the company's burden to persuasively demonstrate its excludability.
2. Contrary to Verizon's assertion, a suggestion, however strong, manifests neither clarity nor certainty and cannot logically provide a basis for a proposal's exclusion. Use of the proxy method itself is as strongly suggestive as you can get that its granter does not intend to attend the subsequent meeting yet does not in and by itself provide basis for a proposal's excludability from consideration. In the absence of a proponent's overt affirmation of non-attendance, registrant's reliance on Rule 14a-8(h) as basis for exclusion of his/her proposal from the proxy materials is clearly misplaced and, as regards consequence, also in error.
3. I agree with Verizon that my offer to revise my proposal to curtail its scope would constitute an unacceptable revision and therefore hereby withdraw it. After all, no vote is not a vote whether or not advertently opted and should not become one for management to arrogate because of a shareholder's failure or inability to exercise it. Such is the purpose of my proposal and shareholder democracy demands it.

In conclusion, Verizon still offers nothing clearly on point to persuasively demonstrate, as implied, that my proposal as written and intended: is improper; interferes in any way with its ordinary business operations; is impossible to effectuate; or, is contrary to rule or law. And, again, that I may neither attend nor be represented at the subsequent meeting is irrelevant to a determination of my proposal's eligibility for inclusion in the proxy materials absent my overt attestation to that effect which clearly and purposely has not been given.

Harold Plog

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**From:** ISMA & OMB Memorandum M-07-16 \*\*\*  
**To:** [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)  
**CC:** [mary.l.weber@verizon.com](mailto:mary.l.weber@verizon.com)  
**Subject:** Verizon's "no-action-letter" request  
**Date:** Sun, 29 Dec 2013 13:57:37 -0500

SEC  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, NE  
Washington, D.C. 20549

**Re: Shareholder Harold G. Plog's proposal for inclusion in Verizon's 2014 Annual Meeting Proxy Materials**

Although I know first-hand the futility of responding to “no-action-letter” requests in an attempt to show that companies, seeking to quash my proposals thereby, have failed their burden pursuant to Question 7 of SEC’s Rule 14a-8g, I am none-the-less obliged to respond to Verizon’s petition lest I be perceived as acceding to its specious assertions. Where the entirely subjective “some basis” supplants the required “persuasive demonstration” as the criterion for a proposal’s exclusion its proponent doesn’t stand a chance. Never-the-less I offer the following.

At the outset I wish to say that it is not my intention to disenfranchise shareholders in the slightest by my proposal. To the contrary it seeks only the protection of their electoral empowerment. However, if such be the perception as suggested by Verizon I would gladly rework the submission to correct the oversight to address, as intended, only matters not appearing on the ballot that may subsequently arise.

As for my comments regarding attendance at the shareholder meeting, such is irrelevant to any determination of my proposal’s eligibility however “strongly suggestive” they may be of any intention not to appear. The provision relied upon by Verizon as basis for the proposal’s exclusion, paragraph (h) of Rule 14a-8, provides only for the event a proponent of a proposal already in the proxy materials subsequently fails to appear at the meeting.

Further, Verizon asserts that my proposal is not a proper subject matter because it relates to matters for which only the Board has the power to act and to ordinary business operations. Besides that Verizon fails to persuasively demonstrate how my proposal regarding shareholder electoral empowerment relates to the Company’s ordinary business operations; that the Board has authority to act upon it is clearly a plus rather than a detriment to its propriety.

Finally, the Company asserts that my proposal is contrary to NYSE listing standards. Such is also specious because the rule cited states that the purpose and intent of a proxy is adequate disclosure on matters which may be presented at the meeting; precisely in view of which I made the proposal in the first place.

In conclusion, other than that my proposal may have an unintended consequence which I readily agree to forestall, Verizon offers no persuasive objective basis for the proposal's exclusion and therefore fails its burden under Rule 14a-8g. The company's use of the Division's previous no-action-letters purportedly supporting its views should be of no comfort or persuasion where they could have gone either way according to the staffs' own admission. (SLB 14 subparagraph, (B)(6)).

Harold Plog

Mary Louise Weber  
Assistant General Counsel



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Fax 908-696-2068  
mary.l.weber@verizon.com

January 14, 2014

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Verizon Communications Inc. 2013 Annual Meeting  
Supplement to Letter Dated December 24, 2013 Related to the  
Shareholder Proposal of Harold G. Plog

Ladies and Gentlemen:

I refer to my letter dated December 24, 2013 (the "December 24 Letter") pursuant to which Verizon Communications Inc., a Delaware corporation ("Verizon"), requested that the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission concur with Verizon's view that the shareholder proposal and supporting statement (the "Proposal") submitted by Harold G. Plog (the "Proponent"), may be properly omitted pursuant to Rule 14a-8(h), 14a-8(i)(1), 14a-8(i)(2) and 14a-8(i)(7) from the proxy materials to be distributed by Verizon in connection with its 2014 annual meeting of shareholders (the "2014 proxy materials").

This letter is in response to the letter to the Staff, dated December 29, 2013 (the "Proponent's Letter"), submitted by the Proponent and supplements the December 24 Letter. In accordance with Staff Legal Bulletin No. 14D (November 7, 2008), this letter is being submitted by email to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). A copy of this letter is also being sent concurrently to the Proponent.

*The Proponent's Letter Fails to Refute Verizon's Argument for Exclusion of the Proposal under Rule 14a-8(h)*

Verizon continues to believe that the Proponent has no intention of appearing or appointing a qualified representative to present the Proposal at the annual meeting. The Proponent's Letter does not state that the Proponent intends to attend the meeting, but instead skirts the issue by claiming that the Proponent's alleged intention not to appear is irrelevant to a determination of eligibility. In this regard, the Proponent's Letter simply ignores the precedent cited in the December 24 Letter where the Staff has interpreted Rule 14a-8(h) to permit exclusion of a proposal from the proxy materials in

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
January 14, 2014  
Page 2

the current year when it is clear that the proponent has no intention of appearing or appointing a qualified representative to present the proposal.

*The Proponent's Letter Fails to Refute Verizon's Arguments for Exclusion of the Proposal under Rule 14a-8(i)(1), (i)(2) or (i)(7)*

Verizon continues to believe that the Proposal may be properly excluded from its 2014 proxy material under Rule 14a-8(i)(1), (i)(2) and (i)(7) for the reasons set forth in the December 24 Letter. The Proponent's Letter merely asserts, without any foundation, that Verizon's arguments in support of exclusion on each of these bases, as well as the Staff's prior decisions in the no-action letters cited by Verizon, are unconvincing.

The Proponent misconstrues the purpose of the New York Stock Exchange (NYSE) rule requiring listed companies to solicit proxies, ignoring the plain language of the rule that "[T]he purpose and intent is to afford shareholders a convenient method of voting, with adequate disclosure, on matters which may be presented as shareholder's meeting." The Proponent's offer to revise the Proposal appears to be a concession that not allowing shareholders to sign an uninstructed proxy card as a method of voting in accordance with the board of director's recommendation would be denying them a "convenient method of voting." The offered revision, however, would entail more than a correction of a minor defect and would result in a materially different Proposal, which could be subject to exclusion under Rule 14a-8(c) or Rule 14a-8(e). Accordingly, it should not be permitted. See Section E.3 of Staff Legal Bulletin No. 14 (July 13, 2001).

For the reasons set forth above and in the December 24 Letter, Verizon believes that the Proposal may properly be omitted from the 2014 proxy materials pursuant to Rule 14a-8(h), Rule 14a-8(i)(1), Rule 14a-8(i)(2) and Rule 14a-8(i)(7) and requests the Staff's concurrence with its views.

If you have any questions with respect to this matter, please telephone me at (908) 559-5636.

Very truly yours,



Mary Louise Weber  
Assistant General Counsel

cc: Harold G. Plog



---

**From:** Harry Plog<sup>SMA & OMB Memorandum M-07-16 \*\*\*</sup>  
**Sent:** Sunday, December 29, 2013 1:58 PM  
**To:** shareholderproposals  
**Cc:** Weber, Mary L  
**Subject:** Verizon's "no-action-letter" request

SEC  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, NE  
Washington, D.C. 20549

Re: Shareholder Harold G. Plog's proposal for inclusion in Verizon's 2014 Annual Meeting Proxy Materials

Although I know first-hand the futility of responding to “no-action-letter” requests in an attempt to show that companies, seeking to quash my proposals thereby, have failed their burden pursuant to Question 7 of SEC’s Rule 14a-8g, I am none-the-less obliged to respond to Verizon’s petition lest I be perceived as acceding to its specious assertions. Where the entirely subjective “some basis” supplants the required “persuasive demonstration” as the criterion for a proposal’s exclusion its proponent doesn’t stand a chance. Never-the-less I offer the following.

At the outset I wish to say that it is not my intention to disenfranchise shareholders.in the slightest by my proposal. To the contrary it seeks only the protection of their electoral empowerment. However, if such be the perception as suggested by Verizon I would gladly rework the submission to correct the oversight to address, as intended, only matters not appearing on the ballot that may subsequently arise.

As for my comments regarding attendance at the shareholder meeting, such is irrelevant to any determination of my proposal’s eligibility however “strongly suggestive” they may be of any intention not to appear. The provision relied upon by Verizon as basis for the proposal’s exclusion, paragraph (h) of Rule 14a-8, provides only for the event a proponent of a proposal already in the proxy materials subsequently fails to appear at the meeting.

Further, Verizon asserts that my proposal is not a proper subject matter because it relates to matters for which only the Board has the power to act and to ordinary business operations.Besides that Verizon fails to persuasively demonstrate how my proposal regarding shareholder electoral empowerment relates to the Company’s ordinary business operations; that the Board has authority to act upon it is clearly a plus rather than a detriment to its propriety.

Finally, the Company asserts that my proposal is contrary to NYSE listing standards. Such is also specious because the rule cited states that the purpose and intent of a proxy is adequate disclosure on matters which may be presented at the meeting; precisely in view of which I made the proposal in the first place.

In conclusion, other than that my proposal may have an unintended consequence which I readily agree to forestall, Verizon offers no persuasive objective basis for the proposal’s exclusion and therefore fails its burden under Rule 14a-8g. The company’s use of the Division’s previous no-action-letters purportedly supporting its views should be of no comfort or persuasion where they could have gone either way according to the staffs’ own admission. (SLB 14 subparagraph, (B)(6)).

Harold Plog

Mary Louise Weber  
Assistant General Counsel



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By Email to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

December 24, 2013

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Verizon Communications Inc. 2014 Annual Meeting  
Shareholder Proposal of Harold G. Plog

Ladies and Gentlemen:

I am writing on behalf of Verizon Communications Inc., a Delaware corporation ("Verizon" or the "Company"), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, to request that the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") concur with our view that, for the reasons stated below, Verizon may exclude the shareholder proposal (the "Proposal") submitted by Harold G. Plog (the "Proponent") from the proxy materials to be distributed by Verizon in connection with its 2014 annual meeting of shareholders (the "2014 proxy materials").

**I. Background.**

The Proponent, a joint owner of 450 shares of Verizon common stock, submitted the following resolution for inclusion in Verizon's 2014 proxy materials:

*Protection of Stockholder Rights*

*Lest the electoral empowerment of the vast majority of shareowners who do not attend a stockholder meeting to vote their shares continue to be denied or diminished to any extent whatsoever, be it resolved that the Company desist from its arrogation of any shareowner's proxy in respect of any subject or matter requiring company action and shareholder approval upon which the shareholder has not voted with the exception of matters incident to the conduct of the meeting.*

In his cover letter dated July 30, 2013, submitting the Proposal, the Proponent made the following statement regarding the requirement that a shareholder proponent or his or her qualified representative must attend the annual meeting in order to present the proposal:

*"Furthermore, although I seek to use the proxy method to present and support my proposal to Company's shareholders, I do not attest thereby to any intention not to attend or be represented at the meeting to again present and support my proposal (which the Company is required to present as in the proxy form) lest the Company be permitted to exclude my proposal pursuant to the SEC Division of Corporate Finance's opinion, SLB 14(C)(4)(b)."*

In addition, the second half of the Proponent's supporting statement is devoted to his complaint that shareholders should not be required to attend the Company's annual meeting to submit their proposals, followed by a request to those who attend the meeting to submit the Proposal on the Proponent's behalf if he is not in attendance. The supporting statement provides:

*"This ludicrous requirement and its consequence may be simply averted, I'm told, if anyone else at the meeting qualified to do so should present the proposal instead. As the Company has expressed its adamant opposition to my proposal and that it would block vote on it should neither I nor my representative attend the annual meeting of shareholders, then in the event that should be the case and to satisfy the form over substance requirement I would be left only to ask, simply: 'anyone?'"*

A copy of the Proposal and the related correspondence is attached as Exhibit A.

Verizon believes that the Proposal may be properly omitted from its 2014 proxy materials under (i) Rule 14a-8(h) because the Proponent has indicated that he has no intention of attending the annual meeting to present his proposal, (ii) Rule 14a-8(i)(1) because the Proposal is not a proper subject matter for shareholder action under Delaware law, (iii) Rule 14a-8(i)(2) because, if implemented, it would cause the Company to violate a law to which it is subject, and (iv) Rule 14a-8(i)(7) because it deals with a matter relating to the Company's ordinary business operations.

In accordance with Rule 14a-8(j), I am submitting this letter not less than 80 calendar days before Verizon intends to file its definitive 2014 proxy materials with the Commission and have concurrently sent the Proponent a copy of this correspondence.

## **II. Bases for Excluding the Proposals.**

### **A. The Proposal may be properly omitted from Verizon's 2014 proxy materials under Rule 14a-8(h)**

Under Rule 14a-8(h), either a proponent or a representative who is qualified under state law to present the proposal on the proponent's behalf must attend the meeting to present the proposal. If the proponent or his or her qualified representative fails to appear and present the proposal without good cause, the company may exclude all of the proponent's proposals from its proxy materials for any meetings held in the following two calendar years. While Rule 14a-8(h) is designed to be applied as a sanction after a proponent has violated the rule and failed to appear, the Staff has interpreted the rule to permit exclusion of a proposal from the proxy materials in the current year when it is clear that the proponent has no intention of appearing or appointing a qualified representative to present the proposal.<sup>1</sup>

Here, the Proponent's statements in the cover letter and supporting statement of the Proposal, taken together, strongly suggest that he does not intend to attend the annual meeting or appoint a qualified representative to attend in his place to present the Proposal. His comment about meeting attendance in the cover letter is not an affirmative statement of his intention to attend or send a qualified representative to attend the meeting. Rather it is merely an observation that the fact that he has requested his proposal be included on the proxy card should not be construed as implying he will not attend the meeting. When this oblique and non-committal statement is coupled with his flippant request in the supporting statement for a volunteer among the shareholders attending the shareholder meeting to introduce the Proposal, it becomes clear that the Proponent has no intention of attending himself. Asking random shareholders to submit the Proposal on their own is not the same as appointing an agent who acts on behalf of, and owes duties to, the Proponent.

Accordingly, since it is clear that the Proponent has no intention of attending the meeting or appointing a qualified representative to attend in his place, Verizon believes that the Proposal may be properly omitted under Rule 14a-8(h).

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<sup>1</sup> See *Johnson & Johnson* (January 9, 2001); *AT&T Corporation* (December 29, 1994) and *Consolidated Edison* (March 8, 1983).

**B. The Proposal may be properly omitted from Verizon's 2014 proxy materials under Rules 14a-8(i)(1), (2) and (7)**

The Proposal asks that the Company desist from "arrogation"<sup>2</sup> of shareholder proxies "in respect of any subject or matter requiring company action and shareholder approval upon which the shareholder has not voted with the exception of matters incident to the conduct of the meeting...." As an initial point, Verizon does not "arrogate" or otherwise unlawfully take the proxies of shareholders. All proxies are given voluntarily by shareholders after a solicitation in compliance with Regulation 14A. The proxy committee is authorized only to vote the shares in accordance with the instructions of the shareholders, as provided on the proxy card and Rule 14a-4(e), and the instructions may not be substituted or ignored by the proxies. In accordance with Rule 14a-4(b)(1), the proxy card clearly states in boldface that the proxy committee will vote the proxy the shares represented by the proxy in accordance with the Board's recommendations if the shareholder signs the proxy card but does not provide instructions. Historically, a significant number of shareholders who wish to vote in accordance with the Board's recommendations have chosen to submit a signed proxy card without specific voting instructions. If the Company were to implement the Proposal and remove the language conferring discretionary authority on the proxy committee, these shareholders would be disenfranchised. Any shareholder who does not wish to confer any discretionary authority on the proxy committee may simply cross out that language on the proxy card.

1. *The Proposal is not a proper subject for shareholder action under Delaware law and may be properly omitted under Rule 14a-8(i)(1).*

Rule 14a-8(i)(1) provides an exclusion for stockholder proposals that are "not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization." The Proposal would require action that, under Delaware law, falls within the scope of the powers of the Company's board of directors as a Delaware corporation. Section 141(a) of the Delaware General Corporation Law states that the "business and affairs of every corporation organized under this chapter shall be managed by or under the direction of a board of directors, except as may be otherwise provided in this chapter or in its certificate of incorporation." The Staff has consistently permitted the exclusion of shareholder proposals mandating or directing a company's board of directors to take certain action inconsistent with the discretionary authority provided to the board of directors under state law. See, e.g., *Bank of America Corporation* (February 24, 2010) and *MGM Mirage* (February 6, 2008). The Proposal is not drafted as a request of, or as a recommendation to, the board of directors, but rather mandates action by the board. The Proposal relates to matters for which only

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<sup>2</sup> "Arrogation" is defined by *Black's Law Dictionary, Seventh Edition* (1999) as, "The act of claiming or taking something without the right to do so." See similar definition in *The American Heritage Dictionary, Second College Edition* (1985).

the board has the power to act upon. Accordingly, it is not a proper subject for shareholder action under Delaware law and is properly excludable under Rule 14a-8(i)(1).

2. *The Proposal is contrary to the NYSE Listing Standards, Rule 14a-4(c) and Delaware law and may be properly omitted under Rule 14a-8(i)(2).*

Verizon is listed on the New York Stock Exchange. The NYSE Listed Company Manual requires companies to solicit proxies on matters scheduled to come before the meeting and allow shareholders to provide voting instructions.

#### 402.04 Proxy Solicitation Required

(A) Actively operating companies are required to solicit proxies for all meetings of shareholders. The purpose and intent is to afford shareholders a convenient method of voting, with adequate disclosure, on matters which may be presented at shareholders' meetings. Exception may be made where applicable law precludes or makes virtually impossible the solicitation of proxies in the United States.

To cease to allow shareholders to sign an uninstructed proxy card as a method of voting in accordance with the board of director's recommendation would be denying them a "convenient method of voting." In addition, to cease to allow shareholders to give proxies the discretionary authority to vote on procedural and unexpected matters that may arise at a meeting of shareholders would violate this provision.

The granting of proxies by Verizon's shareholders is also governed by Delaware law. Section 212(b) of the Delaware General Corporation Law provides "Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy...." The Proposal has no authority to overrule Delaware law on proxies.

The Staff has previously concurred with the exclusion of shareholder proposals under Rule 14a-8(i)(2) that, if implemented, would cause the company to violate state or Federal law. See, e.g., *Pfizer* (February 22, 2012) (implementation of arbitration proposal could cause company to violate Federal law and was properly omitted under Rule 14a-8(i)(2)), *Mattel, Inc.* (January 14, 2005) (implementation of proposal would result in Mattel's proxy materials being false or misleading under Rule 14a-9 and was properly omitted under Rule 14a-8(i)(2)); and *Monsanto Co.* (November 7, 2008) (shareholder-proposed bylaw amendment establishing oath of allegiance to U.S. Constitution that would be "unreasonable" constraint on director selection process and would violate Delaware law was properly omitted under Rule 14a-8(i)(2)).

3. *The Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it relates to Verizon's ordinary business operations (i.e., the conduct of shareholder meetings).*

Verizon believes that The Proposal may be properly omitted from its 2014 proxy statement under Rule 14a-8(i)(7) because it impermissibly interferes with an ordinary business operation; namely, the conduct of shareholder meetings.

Rule 14a-8(i)(7) permits a company to omit a shareholder proposal from its proxy materials if it deals with a matter relating to the company's ordinary business operations. In Release No. 34-40018 (May 21, 1998), the Commission explained that the policy underlying Rule 14a-8(i)(7) is to confine the resolution of ordinary business problems to management and the board of directors. This underlying policy rests on two considerations. The first consideration relates to the subject matter of the proposal and recognizes that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that these tasks could not, as a practical matter, be subject to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to micro-manage the company by probing too deeply into matters of a complex nature upon which shareholders would not be in a position to make an informed judgment. Verizon believes that the Proposal may properly be excluded under Rule 14a-8(i)(7) because the Proposal seeks to "micro-manage" Verizon's process for conducting a meeting of stockholders.

As a Delaware corporation, Verizon is required to conduct a meeting of shareholders, at least annually, for the election of directors. Pursuant to its charter and bylaws, as well as state law, federal law and the regulations of the stock exchanges on which it is listed, Verizon is also required to put a number of different matters to a shareholder vote periodically. As such, the conduct of shareholder meetings where shareholders elect directors and vote on such business as is properly presented to the meeting is a complex task with respect to which shareholders are not in a position to make an informed judgment. The Proposal impermissibly interferes with management's responsibility for conducting lawful and orderly shareholder meetings.

A substantial majority of shareholders are unable to or not interested in attending shareholder meetings. Under Delaware law, a shareholder is permitted to authorize a proxy to attend the meeting and vote on his or her behalf. Verizon's form of proxy allows the shareholder to direct the proxy how to vote at the meeting on items which appear on the ballot. However, from time to time, issues may come up for a vote at a shareholder meeting of which the Company doesn't have knowledge beforehand. For these instances, the shareholder may give the proxy discretionary voting power. This practice is addressed under Rule 14a-4, which designates matters on which the proxy may or may not vote. Rule 14a-4 also provides a list of seven items on which a proxy may confer discretionary voting power. Without this authority, unless other



protections are available, the proxies may be powerless to adjourn a meeting in the event of an emergency or powerless to stop a shareholder who owns, for example, as little as 1% of the outstanding shares from taking control of the meeting without notice to other shareholders. For this reason, Verizon believes that the decision whether or not to seek discretionary power for the proxies is a "matter of a complex nature upon which, shareholders, as a group would not be in a position to make an informed judgment."

### III. Conclusion.

Verizon believes that the Proposal may be properly omitted from its 2014 proxy material under (i) Rule 14a-8(h) because the Proponent has indicated that he has no intention of attending the annual meeting to present his proposal, (ii) Rule 14a-8(i)(1) because it is not a proper subject matter for shareholder action under Delaware law, (iii) Rule 14a-8(i)(2) because, if implemented, it would cause the Company to violate a law to which it is subject, and (iv) Rule 14a-8(i)(7) because it deals with a matter relating to the Company's ordinary business operations. Accordingly, Verizon respectfully requests the concurrence of the Staff that it will not recommend enforcement action against Verizon if Verizon omits the Proposal in its entirety from its 2014 proxy materials.

Verizon requests that the Staff email a copy of its determination of this matter to the undersigned at [mary.l.weber@verizon.com](mailto:mary.l.weber@verizon.com) and to the Proponent at

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

If you have any questions with respect to this matter, please telephone me at (908) 559-5636.

Very truly yours,



Mary Louise Weber  
Assistant General Counsel

Enclosures

cc: Harold G. Plog

## **Exhibit A**

Harold G Plog

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

July 30, 2013

Verizon  
Assistant General Counsel  
C/o Assistant Corporate Secretary  
140 West Street, 29<sup>th</sup> Floor  
New York, NY 10007  
Re: Proposal of Security Holder: **Protection of Stockholders' Rights**

I, Harold G Plog, a joint-shareowner (and a sole permissible proponent for jointly owned shares in Company and SEC staffs' opinions) of more than \$4000 value of Verizon common stock held continuously for over one year and who states as required by Exchange Act Rule 14-8(b)(2)(ii)(C) that I intend to continue to do so through the date of the next meeting of shareholders, submit the proposal and supporting statement below for inclusion in the proxy materials for the 2014 Annual Meeting of Stockholders. Furthermore, although I seek to use the proxy method to present and support my proposal to Company's shareholders, I do not attest thereby to any intention not to attend or be represented at the meeting to again present and support my proposal (which the Company is required to present as in the proxy form) lest the Company be permitted to exclude my proposal pursuant to SEC Division of Corporate Finance's opinion, SLB 14(C)(4)(b).

Assuming the preceding satisfies requirements imposed upon shareholders wishing to use the proxy method to submit a proposal and unable to discern how mine might, as has been previously suggested, violate company business practice or Delaware Corporation Law or that it may be improper or impossible to effectuate where pertaining, preeminently, to shareholders' rights, I submit the following proposal and supporting statement.

### **The Proposal**

#### ***Protection of Stockholder Rights***

*Lest the electoral empowerment of the vast majority of shareowners who do not attend a stockholder meeting to vote their shares continue to be denied or diminished to any extent whatsoever, be it resolved that the Company desist in its arrogation of any shareowner's proxy in respect of any subject or matter requiring company action and shareholder approval upon which the shareholder has not voted with the exception of matters incident to the conduct of the meeting.*

### **Supporting Statement** (continued)

Re: Proposal of Security Holder: Protection of Stockholders' Rights (continued)

Stockholders unable to attend a meeting of shareholders and wishing to vote on proposals requiring company action and shareowner approval are obliged to grant to Company proxies full power of substitution to vote their shares. This authorization is presently construed to empower the proxies to vote stockholders' shares not only as the latter may direct but also, and in the proxies' discretion (or as the Board recommends), upon any and all subjects or matters to come before the meeting to which they have not.

This added authorization, exacted as the price of voting by proxy and conveyed by either a properly executed proxy card or electronic vote, is a clear infringement of shareholder democracy and, except as it may relate to matters incident to the conduct of the meeting, is a blank check stockholders should neither be asked, expected, nor willing to sign. My proposal seeks to cease this unwarranted and undemocratic seizure, by proxy, of shareholder enfranchisement.

Similarly as use of the proxy method to vote ones shares suggests a stockholder's intention not to attend a stockholders' meeting, so too for a stockholder using the proxy method to propose a company action for shareholder approval. However, unlike the absentee "voter" who is not required to do so, this evident intent in the case of the proposal proponent runs counter to provision in SEC's Rule 14a-8 (re shareholder requirements to use the proxy method to submit proposals) that requires, astonishingly, such proponents also be present at the meeting to again present their proposals. Accordingly, and notwithstanding use of the proxy method and that the Company is required to also present the proposal as in the proxy form, should the proponent not be represented at the meeting to again present his/her proposal the Company is permitted by the SEC's Rule to exclude the proposal in that and succeeding two years.

This ludicrous consequence may be simply averted, I've been told, if anyone else at the meeting qualified to do so should present the proposal instead. As the Company has expressed its adamant opposition to my proposal and that it would block vote on it if neither I nor my representative attend the annual meeting of shareholders, then in that event and to satisfy the form over substance requirement, I would be left only to ask, simply: "anyone?"



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Harold G Plog