



DIVISION OF  
CORPORATION FINANCE

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

April 17, 2018

Peter P. Radetich  
Computer Task Group, Incorporated  
peter.radetich@ctg.com

Re: Computer Task Group, Incorporated  
Incoming letter dated March 20, 2018

Dear Mr. Radetich:

This letter is in response to your correspondence dated March 20, 2018 concerning the shareholder proposal (the "Proposal") submitted to Computer Task Group, Incorporated (the "Company") by Brian Harper for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. 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  
Senior Special Counsel

Enclosure

cc: Brian Harper  
Harper Asset Management, LLC  
bharper@harperasset.com

April 17, 2018

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

Re: Computer Task Group, Incorporated  
Incoming letter dated March 20, 2018

The Proposal requests that the Company declassify the board of directors, allowing for annual election of directors.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(10). In this regard, we note your representation that the Company will provide shareholders at its 2018 annual meeting with an opportunity to approve amendments to the Company's certificate of incorporation to provide for the annual election of directors. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Evan S. Jacobson  
Special Counsel

**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 proposal 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 and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate 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 adversarial procedure.

It is important to note that the staff'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 company's management omit the proposal from the company's proxy materials.



800 Delaware Avenue  
Buffalo, NY 14209  
716-882-8000  
www.ctg.com

March 20, 2018

***BY ELECTRONIC MAIL TO SHAREHOLDERPROPOSALS@SEC.GOV***

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: Computer Task Group, Incorporated - Shareholder Proposal Submitted by Harper Asset Management (the "Proponent's Proposal")

Ladies and Gentlemen:

This letter and the enclosed materials are submitted by Computer Task Group, Incorporated, a New York corporation (the "Company"), to request confirmation from the staff of the Division of Corporation Finance (the "Staff") that it will not recommend enforcement action to the U.S. Securities and Exchange Commission (the "Commission") if the Company excludes the Proponent's Proposal from the proxy statement and form of proxy for its 2018 annual meeting of shareholders (collectively, the "2018 Proxy Materials"). For the reasons set forth below, the Company intends to exclude the Proponent's Proposal from the 2018 Proxy Materials in reliance on Rule 14a-8(i)(10) under the Securities Exchange Act of 1934 (the "Exchange Act").

The Company expects to file a preliminary proxy statement on or about May 16, 2018 due to the inclusion in the proxy solicitation materials of a proposal to amend the Company's Restated Certificate of Incorporation, as described below. The Company expects to file its definitive 2018 Proxy Materials on or about June 15, 2018. In accordance with Staff Legal Bulletin 14D (Nov. 7, 2008), we are submitting this request for no-action relief via the Commission's email address, [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). Also, in accordance with Rule 14a-8(j) under the Exchange Act, the Company (i) has filed this letter with the Commission no later than 80 calendar days before it intends to file the definitive 2018 Proxy Materials with the Commission; and (ii) is simultaneously sending a copy of this letter and its attachments to Brian Harper of Harper Asset Management (the "Proponent") as notice of its intention to exclude the Proponent's Proposal and supporting statement from the 2018 Proxy Materials and the reasons for the exclusion. We take this opportunity to inform the Proponent that if the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Proponent's Proposal, a copy of that correspondence should be provided concurrently to the Company.

#### **SUMMARY OF THE PROPOSAL**

The Proponent's Proposal requests that the Company declassify its board of directors and allow for annual elections of directors. A copy of the Proponent's Proposal is attached as **Exhibit A** hereto.



## BASIS FOR EXCLUSION

We respectfully request that the Staff concur in our view that the Proponent's Proposal may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proponent's Proposal.

## BACKGROUND

On November 20, 2017, the Company received the Proponent's Proposal from the Proponent in the form of a letter in the U.S. mail. The Proponent did not include in the Proponent's Proposal the requisite written statement that he intended to hold the securities through the date of the Company's 2018 annual meeting. On November 30, 2017, the Company delivered a letter via Federal Express courier and email to the Proponent, informing him of the deficiency (the "Deficiency Notice"). On December 1, 2017, the Company received a response from the Proponent which responded to the Deficiency Notice and corrected the deficiency; thus, the Company believes the Proponent's Proposal, as supplemented by the Proponent's response to the Deficiency Notice, is procedurally compliant with the requirements of Rule 14a-8. A copy of the Deficiency Notice is attached as **Exhibit B** and a copy of the response to the Deficiency Notice sent by the Proponent is attached as **Exhibit C**.

The Company's Restated Certificate of Incorporation ("Certificate of Incorporation") currently provides for the Company's board of directors (the "Board") to have two classes, or if three classes is permitted under applicable law, then the Board shall be divided into three classes. New York Business Corporation Law Section 704 permits three board classes and does not set a minimum number of directors for a class. Historically, the Board reclassified from two classes to three classes at the Company's 2000 annual meeting of shareholders and has retained a classified board structure of three classes since then, with each director elected for a three-year term. The Company's Restated By-laws (the "By-laws") also currently provide for a similarly classified Board.

Following the Company's receipt of the Proponent's Proposal, the Company's Nominating and Corporate Governance Committee and the Board as a whole each have considered the Board's classification structure, including the relative advantages and disadvantages of maintaining the current classified structure of the Board as provided in the Certificate of Incorporation and the By-laws. The Board has determined that the Company should eliminate its classified Board structure and adopted resolutions approving and submitting for shareholder approval at its 2018 annual meeting of shareholders, a Board-sponsored proposal to amend the Certificate of Incorporation to eliminate the current classified structure of the Board and instead to provide for a single class of directors, with each director elected on or after the 2021 annual meeting of shareholders to be subject to annual elections (the "CTG Proposal"). The amendments to the Certificate of Incorporation would not affect the unexpired terms of directors elected to the Board prior to the 2021 annual meeting of shareholders. The Board has also approved a resolution recommending that the Company's shareholders vote "FOR" the CTG Proposal at the Company's 2018 annual meeting of shareholders.

The CTG Proposal also contemplates a related amendment to the Company's By-laws to eliminate the classified board structure reflected therein. Therefore, if the CTG Proposal receives the requisite shareholder approval at the Company's 2018 annual meeting of shareholders, the Certificate of Incorporation will be amended promptly thereafter by filing a Certificate of Amendment with the New York Department of State, Division of Corporations, and the Board will amend the By-laws in a corresponding manner. Upon effectiveness of those amendments to the Certificate of Incorporation and the By-laws, the Company's classified board structure will be replaced with a structure providing for a phase-in period at the conclusion



of which all of the Company's directors to be elected at or after the Company's 2021 annual meeting of shareholders will be elected for one-year terms and will be subject to annual elections.

## ANALYSIS

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy solicitation materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) "is designed to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by management." Exchange Act Release No. 12598 (July 7, 1976). In cases where a company demonstrates that it has already taken actions to address each element of a shareholder proposal, the Staff has concurred that the proposal has been "substantially implemented" and may be excluded as moot under Rule 14a-8(i)(10). See, e.g., *PPG Industries, Inc.* (Jan. 23, 2018); *Apple Inc.* (Dec. 12, 2017); *QUALCOMM Incorporated* (Dec. 8, 2017); *NETGEAR, Inc.* (Mar. 31, 2015); *Exelon Corp.* (Feb. 26, 2010); *Express Scripts, Inc.* (Jan. 28, 2010); *Exxon Mobil Corp.* (March 23, 2009). The Staff has noted that "a determination that a company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (March 28, 1991).

The Staff consistently has concurred that shareholder proposals calling for the elimination of classified boards of directors, like the Proponent's Proposal, are excludable under Rule 14a-8(i)(10) where the company's board of directors lacks unilateral authority to adopt amendments to the company's governing documents but has taken all of the steps within its power to eliminate the classified board provisions in those documents and determined to submit the issue for shareholder approval. See, e.g., *PPG Industries, Inc.* (Jan. 23, 2018); *AbbVie Inc.* (Dec. 22, 2016); *Ryder System, Inc.* (Feb. 11, 2015); *LaSalle Hotel Properties* (Feb. 27, 2014). For instance, in *PPG Industries, Inc.* (Jan. 23, 2018), the company, which had a classified board of directors divided into three classes with each class of directors elected for three-year terms, received a shareholder proposal substantially similar to the Proponent's Proposal, requesting that the company "take all the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year." The company's board of directors approved amendments to its Articles of Incorporation at the company's 2018 annual meeting of shareholders. The company argued, and the Staff concurred, that no-action relief was appropriate based on the actions taken by its board of directors and the forthcoming submission of the matter for the requisite approval by the company's shareholders. We note in particular that the Staff has also concurred in the exclusion of declassification proposals where the Company's time frame for implementation of declassification differed from that requested in the declassification shareholder proposal. See *Ryder System, Inc.* (Feb. 11, 2015); *Textron, Inc.* (Jan. 21, 2010); *Del Monte Foods Co.* (Jun. 3, 2009) (each concurring with the exclusion of a shareholder proposal for board declassification with a deferred implementation period on substantial implementation grounds, despite the company's decision to implement board declassification on a phased-in basis).

The Company's Certificate of Incorporation and By-laws currently provide for the Board to be classified into three classes, with each class of directors elected for a three-year term. The amendments to the Certificate of Incorporation which are the subject of the CTG Proposal are wholly consistent with the essential objectives of the Proponent's Proposal. Specifically, subject to receipt of the requisite shareholder approval of the CTG Proposal at the 2018 annual meeting of shareholders, the Company will be taking the steps necessary to reorganize the Board into one class with each director to be elected at or after the Company's 2021 annual meeting of shareholders being subject to election at the end of the phase-in period, as requested in the Proponent's Proposal. The Proponent's Proposal does not specify a time frame for implementation of the board declassification process, and the Board believes that it is in the best position to determine the optimal timing for implementation of declassification. After careful consideration, the Board has determined that the appropriate time to begin declassification is the election of directors at the 2021 annual meeting of



shareholders to provide the Company with time to focus on successful execution of its strategic plan. Therefore, the Board's determination to submit the CTG Proposal for shareholder approval at its 2018 annual meeting of shareholders and the Board's recommendation that shareholders vote "FOR" the CTG Proposal at the 2018 annual meeting of shareholders substantially implements the essential objectives of the Proponent's Proposal.

Based upon the foregoing, the Company believes that the Proponent's Proposal may be properly omitted from its 2018 Proxy Materials under Rule 14a-8(i)(10) because the Proponent's Proposal has been substantially implemented by the Company as a result of the action that has been taken by the Board to approve the CTG Proposal and the submission of the CTG Proposal for a vote by its shareholders at the 2018 annual meeting of shareholders. Accordingly, consistent with Rule 14a-8(f)(1) and the Staff's long line of no-action letters, the Company respectfully submits that exclusion of the Proponent's Proposal from its 2018 Proxy Materials is proper pursuant to Rule 14a-8(i)(10).

### CONCLUSION

For the reasons set forth above, we respectfully request that the Staff confirm that it will not recommend enforcement action to the Commission if the Company excludes the Proponent's Proposal from the 2018 Proxy Materials in reliance on Rule 14a-8(i)(10). If the Staff does not concur with the positions of the Company discussed above, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of its Rule 14a-8 response.

If the Staff has any questions regarding this request or requires additional information, please contact the undersigned at (716) 887-7366.

Sincerely,

Computer Task Group, Incorporated

By:     /s/ Peter P. Radetich      
Peter P. Radetich  
Senior Vice President, Secretary & General Counsel

Enclosures

cc: Brian Harper  
President  
Harper Asset Mgmt, LLC  
[bharper@harperasset.com](mailto:bharper@harperasset.com)

**Exhibit A**

**Proponent's Proposal**

**(See attached)**



# HARPER

LLC

6680 Gunpark Drive, site 202B' Boulder, CO 80301

November 14, 2017

Peter Radetich  
Secretary  
800 Delaware Ave  
Buffalo, NY 14209  
Computer Task Group, Inc

Dear Mr. Radetich,

I, Brian Harper, having an address of <sup>\*\*\*</sup>, have been a shareholder of at least \$2,000 in CTG stock for over one year. Furthermore, I beneficially own 45,985 CTG shares on behalf of myself and clients. Either myself or a representative intend to present the following proposal at the 2017 Annual Meeting of Shareholders:

RESOLVED: The stockholder requests that the company declassify the board of directors, allowing for annual election of Directors.

#### SUPPORTING STATEMENT:

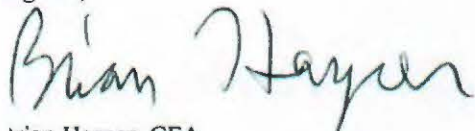
The resolution moves that the board of directors take the efforts to declassify the board of directors, and allow for annual elections of board members. Having directors stand for elections annually and allowing removal makes directors more accountable to stockholders, and could thereby contribute to improving performance and increasing firm value. The classification of the CTG board is a relic which predates any member of CTG senior management or the board.

As far back as 2003, ISS argued that "the only real motive for board classification is to make it more difficult to change control of the board. A classified board can (1) delay a takeover desired by shareholders but opposed by management, and (2) prevent bidders from even approaching a target company if they do not want to wait more than a year to gain majority control. Shareholders lose in both cases, and management has less incentive to keep shares fully valued if the directors' board seats are secure." ISS continued to advise voting FOR proposals to repeal classified boards in its 2014 U.S. Proxy Voting Summary Guidelines.

Shareholders are strongly urged to vote "YES" for this proposal.

Thank you and please let me know if you have any questions or comments.

Regards,



Brian Harper, CFA  
President  
Harper Asset Mgmt, LLC 303-449-  
4887 bharper@harperasset.com

**Exhibit B**

**Deficiency Notice**

**(See attached)**



November 29, 2017

800 Delaware Avenue  
Buffalo, NY 14209  
716-882-8000  
www.ctg.com

BY COURIER AND ELECTRONIC MAIL

Mr. Brian Harper, CFA  
Harper Asset Management, LLC  
6680 Gunpark Drive, Suite 202B  
Boulder, CO 80301  
bharper@harperasset.com

Re: Notification of Deficiency under Rule 14a-8

Dear Mr. Harper:

On November 20, 2017, we received a letter from you postmarked November 17, 2017, requesting that Computer Task Group, Incorporated (the "Company") include your shareholder proposal (the "Proposal") in the Company's proxy materials for its 2018 annual meeting of shareholders (the "Annual Meeting").

Based on the information you provided, we have been unable to conclude that the Proposal meets the requirements of Rule 14a-8 under the Securities Exchange Act of 1934 ("Rule 14a-8") for inclusion in the Company's proxy materials. In order to be eligible to include a proposal in the proxy materials for the Annual Meeting, Rule 14a-8 requires that a shareholder have continuously held at least \$2,000 in market value or 1% of the Company's common stock for at least one year as of the date that the proposal is submitted and continue to hold those securities through the date of the Annual Meeting. In submitting a proposal, a shareholder must provide a written statement that the shareholder intends to continue to hold the securities through the date of the Annual Meeting.

You have not provided the requisite written statement that you intend to continue to hold the securities through the date of the Annual Meeting. To remedy this deficiency, you must provide such a written statement.

Rule 14a-8 requires you to correct the deficiency noted above in order to have the Proposal included in the Company's proxy materials for the Annual Meeting. Pursuant to Rule 14a-8(f)(1), we are hereby formally notifying you that, to enable further consideration of the Proposal, a response in compliance with Rule 14a-8 must be postmarked or transmitted electronically to the Company no later than 14 days from the date you receive this notification.

If you adequately correct the deficiency within the required time frame, the Company will then address the substance of the Proposal. The Company reserves the right to raise any substantive objections it has to the Proposal at a later date. Please send any correspondence to my attention at [peter.radetich@ctg.com](mailto:peter.radetich@ctg.com).

Sincerely,

Peter P. Radetich  
Senior Vice President & Secretary



**Exhibit C**

**Response Letter from Proponent**

(See attached)



6680 Gunpark Drive, Suite 202B ♦ Boulder, CO 80301

November 30, 2017

Peter Radetich  
Secretary  
800 Delaware Ave  
Buffalo, NY 14209  
Computer Task Group, Inc

Dear Mr. Radetich,

I, Brian Harper, having an address <sup>\*\*\*</sup>, have been a shareholder of at least \$2,000 in CTG stock for over one year. I intend to continue to hold at least \$2,000 worth of CTG stock through the date of CTG's 2018 annual meeting. I also beneficially own 45,985 CTG shares on behalf of myself and clients.

Either myself or a representative intend to present the following proposal at the 2017 Annual Meeting of Shareholders:

**RESOLVED:** The stockholder requests that the company declassify the board of directors, allowing for annual election of Directors.

**SUPPORTING STATEMENT:**

The resolution moves that the board of directors take the efforts to declassify the board of directors, and allow for annual elections of board members. Having directors stand for elections annually and allowing removal makes directors more accountable to stockholders, and could thereby contribute to improving performance and increasing firm value. The classification of the CTG board is a relic which predates any member of CTG senior management or the board.

As far back as 2003, ISS argued that "the only real motive for board classification is to make it more difficult to change control of the board. A classified board can (1) delay a takeover desired by shareholders but opposed by management, and (2) prevent bidders from even approaching a target company if they do not want to wait more than a year to gain majority control. Shareholders lose in both cases, and management has less incentive to keep shares fully valued if the directors' board seats are secure." ISS continued to advise voting FOR proposals to repeal classified boards in its 2014 U.S. Proxy Voting Summary Guidelines.

Shareholders are strongly urged to vote "YES" for this proposal.

Thank you and please let me know if you have any questions or comments.

Regards,

A handwritten signature in black ink that reads "Brian Harper". The signature is written in a cursive, flowing style.

Brian Harper, CFA  
President  
Harper Asset Mgmt, LLC  
303-449-4887  
bharper@harperasset.com

*charles* SCHWAB

Schwab Joint Account

\*\*\*

November 14, 2017

Brian Harper, Jennifer Harper

Account #: \*\*\*\*-\* \*\*\*

Questions: +1 (800) 515-  
2157 x40052

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Important information about your recent request.

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Dear Brian Harper and Jennifer Harper,

This letter confirms that Brian Harper has held 1006 shares of CTG since 11/11/2016.

Thank you for your attention to this matter. If you have any questions or if we can help in any other way, please call me or any Client Service Specialist at +1 (800) 515-2157 x40052, Monday through Friday, from 9:00 a.m. to 7:00 p.m. ET.

Sincerely,

*Ian Koch*

Ian Koch  
Alliance Service  
9825 Schwab Way  
Lone Tree, CO 80124

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