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

DIVISION OF
CORPORATION FINANCE

November 20, 2018

Martin P. Dunn
Morrison & Foerster LLP
mdunn@mofo.com

Re: Walgreens Boots Alliance, Inc.
Incoming letter dated September 14, 2018

Dear Mr. Dunn:

This letter is in response to your correspondence dated September 14, 2018 and October 17, 2018 concerning the shareholder proposal (the "Proposal") submitted to Walgreens Boots Alliance, Inc. (the "Company") by Myra K. Young (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponent's behalf dated September 17, 2018 and October 18, 2018. 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,

M. Hughes Bates
Special Counsel

Enclosure

cc: John Chevedden
***

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

November 20, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Walgreens Boots Alliance, Inc.
Incoming letter dated September 14, 2018

The Proposal requests that any open market share repurchase programs or stock buybacks adopted by the board after approval of the Proposal shall not become effective until such new programs are approved by shareholders.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to the Company's ordinary business operations. In our view, the Proposal micromanages the Company. In particular, we note that the Proposal would make each new share repurchase program and each and every stock buyback dependent on shareholder approval. 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)(7).

Sincerely,

Kasey L. Robinson
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.

Corporate Governance
CorpGov.net: improving accountability through democratic corporate governance since 1995

VIA EMAIL: shareholderproposals@sec.gov
Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

October 18, 2018

Re: Walgreens Boots Alliance, Inc
Shareholder Proposal submitted by Myra K. Young (written by husband James McRitchie)

To Whom It May Concern:

This is in response to an October 17, 2018, letter by Martin P. Dunn of Morrison Forrester LLP, acting as an agent of Walgreens Boots Alliance, Inc (the "Company"). Below I address the Company's remarks in the order raised.

Poposal

The resolved clause of the Proposal states as follows:

> Resolved: Shareholders of Walgreens Boots Alliance Inc ("WBA") request that any open market share repurchase programs or stock buybacks ("buybacks") adopted by the Board after approval of this shareholder proposal shall not become effective until such new programs are approved by shareholders.

October 17 Letter

The WBA letter of October 17th adds no new arguments or information. Instead, it simply reiterates the Company's false position that the proposal requires "shareholder approval of each and every stock repurchase," arguing that would be micromanaging ordinary business.

Staff Legal Bulletin No. 14I outlines two central considerations for the application of Rule 14a-8(i)(7). The first relates to the proposal's subject matter; the second, the degree to which the proposal "micromanages" the company.

Under the first consideration, proposals that raise matters that are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight" may be excluded,

unless such a proposal focuses on policy issues that are sufficiently significant because they transcend ordinary business and would be appropriate for a shareholder vote.

WBA operates through three segments: Retail Pharmacy USA, Retail Pharmacy International, and Pharmaceutical Wholesale. We are not asking that WBA stop carrying a specific product or change how it deals with customers. WBA's stock buyback programs are not "fundamental to management's ability to run a company on a day-to-day basis." If WBA never did another stock buyback, it would have little impact on day-to-day operations.

A second test raised in SLB 14I is the degree to which the proposal "micromanages" the company. WBA contends the proposal requires "shareholder approval of each and every stock repurchase." However, the clear wording of the proposal is to request that "new programs" involving "open market share repurchase programs or stock buybacks" be approved by shareholders. A program of stock buybacks can obviously include more than one incidence of share buyback.

Even if Staff agree with WBA that stock buybacks are "fundamental to management's ability to run a company on a day-to-day basis," SLB 14I also advised,

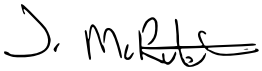
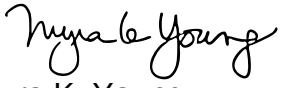
> going forward, we would expect a company's no-action request to include a discussion that reflects the board's analysis of the particular policy issue raised and its significance. That explanation would be most helpful if it detailed the specific processes employed by the board to ensure that its conclusions are well-informed and well-reasoned. We believe that a well-developed discussion of the board's analysis of these matters will greatly assist the staff with its review of no-action requests under Rule 14a-8(i)(7).

Their no-action request included no such analysis.

Conclusion

In permitting the exclusion of proposals, Rule 14a-8(g) imposes the burden of proof on companies. Companies seeking to establish the availability of subdivision (i)(7) therefore have the burden of showing ineligibility. The Company has failed to meet this burden and Staff must deny the no-action request. We would be pleased to respond to Staff questions. Please e-mail ***

Sincerely,

James McRitchie Myra K. Young
Shareholder Advocate

MORRISON | FOERSTER

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LOS ANGELES, NEW YORK,
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SAN DIEGO, SAN FRANCISCO, SHANGHAI,
SINGAPORE, TOKYO, WASHINGTON, D.C.

Writer's Direct Contact
+1 (202) 778-1611
MDunn@mofo.com

1934 Act/Rule 14a-8

October 17, 2018

VIA E-MAIL (*shareholderproposals@sec.gov)*

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

Re: Walgreens Boots Alliance, Inc.
Stockholder Proposal of Myra K. Young

Dear Ladies and Gentlemen:

This letter concerns the request, dated September 14, 2018 (the "***Initial Request Letter***"), that we submitted on behalf of our client Walgreens Boots Alliance, Inc., a Delaware corporation (the "***Company***"), seeking confirmation that the staff (the "***Staff***") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "***Commission***") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "***Exchange Act***"), the Company omits the stockholder proposal (the "***Proposal***") and supporting statement (the "***Supporting Statement***") submitted by Myra K. Young (the "***Proponent***") from the Company's proxy materials for its 2019 Annual Meeting of Stockholders (the "***2019 Proxy Materials***"). The Proponent and James McRitchie, the Proponent's husband, jointly submitted a letter to the Staff, dated September 17, 2018 (the "***Proponent Letter***"), asserting the Proponent's view that the Proposal is required to be included in the 2019 Proxy Materials. The Proponent Letter is attached as Exhibit A to this letter.

We submit this letter on behalf of the Company to supplement the Initial Request Letter and respond to the assertions made in the Proponent Letter. We also renew our request for confirmation that the Staff will not recommend enforcement action to the Commission if the Company omits the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8.

We have concurrently sent copies of this correspondence to the Proponent's representative.

I. THE PROPOSAL

On July 30, 2018, the Company received a letter from the Proponent containing the Proposal for inclusion in the Company's 2019 Proxy Materials. We provided the letter and the Proposal as attachments to the Initial Request Letter. As discussed in the Initial Request Letter, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7), as it deals with matters relating to the Company's ordinary business operations.

II. RESPONSE TO THE PROPONENT LETTER

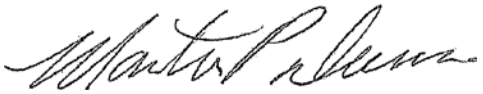
In the Proponent Letter, the Proponent argues that the Proposal relates to a significant policy issue of stock repurchases and attempts to distinguish the Proposal from the various proposals that the Staff has concurred could be omitted because the Proposal does not contain specific terms of any stock repurchase. As detailed in the Initial Request Letter, the underlying subject matter of the Proposal – shareholder approval of each and every stock repurchase, including those made on a frequent, individualized basis (such as those made in connection with general employee compensation matters) – would have exactly the same effect as the proposals in the prior letters that specified terms of stock repurchases. As such, the Proposal addresses the implementation of a stock repurchase program, which is a matter of the Company's ordinary business operations.

Moreover, because the underlying subject matter of the Proposal is stockholder approval of each and every stock repurchase by the Company, the Proposal seeks to micromanage the Company. As detailed in the Initial Request Letter, stock repurchase decisions involve substantial complexity and require consideration of numerous financial and other factors. Stockholders, as a group, would not be in a position to make an informed judgment on those matters in consideration of specific repurchase proposals that the Proposal would require. As a result, the Company is of the view that the Proposal may be omitted pursuant to Rule 14a-8(i)(7) as it seeks to micromanage the Company.

III. CONCLUSION

For the reasons discussed in the Initial Request Letter and further discussed above, the Proponent Letter does not impact the application of Rule 14a-8(i)(7) to the Proposal, and the Company continues to be of the view that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,



Martin P. Dunn
of Morrison & Foerster LLP

Attachments

cc: John Chevedden
Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.
Mark L. Dosier, Director, Securities Law, Walgreens Boots Alliance, Inc.
Kelsey Chin, Director, Tax and Capital Markets - Legal, Walgreens Boots Alliance, Inc.

Exhibit A

***

From:
Date: September 17, 2018 at 4:19:05 PM CDT
To: Office of Chief Counsel <shareholderproposals@sec.gov>
Cc: Kelsey Chin <kelsey.chin@wba.com>
Subject: #1 Rule 14a-8 Proposal `(WBA) Myra K. Young

Ladies and Gentlemen:
Please see the attached letter.
Sincerely,
John Chevedden

Corporate Governance
CorpGov.net: improving accountability through democratic corporate governance since 1995

VIA EMAIL: shareholderproposals@sec.gov
Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

September 17, 2018

Re: Walgreens Boots Alliance, Inc
Shareholder Proposal submitted by Myra K. Young (written by husband James McRitchie)

To Whom It May Concern:

This is in response to a September 14, 2018, letter by Martin P. Dunn of Morrison Forrester LLP, acting as an agent of Walgreens Boots Alliance, Inc (the "Company").

Poposal

The resolved clause of the Proposal states as follows:

Resolved: Shareholders of Walgreens Boots Alliance Inc ("WBA") request that any open market share repurchase programs or stock buybacks ("buybacks") adopted by the Board after approval of this shareholder proposal shall not become effective until such new programs are approved by shareholders.

The Proposal Focuses on an Area of Significant Public Policy

The Proposal is not excludable under Rule 14a-8(i)(7) because it is directly focused on the significant public policy controversies associated with share buybacks.

Share buyback programs are a significant public policy issue, especially as the public attempts to determine the winners and losers are from last year's tax cut bill.

A Morgan Stanley survey found that analysts estimate 43 percent of tax cut savings will go to stock buybacks and dividends, while 13 percent will go to pay raises, bonuses, and employee benefits. Just Capital's analysis of 121 Russell 1000 companies found that 57 percent of tax savings will go to shareholders, compared to 20 percent directed to job creation and capital investment and 6 percent to workers…

What's more, the richest 10 percent of Americans own 80 percent of all stock shares. The bottom 80 percent of earners own just 8 percent…

JPMorgan Chase analysts have estimated buybacks could reach more than $800 billion this year, well up from $530 billion in 2017 and even surpassing 2007's all-time high of just under $700 billion. (*Corporate stock buybacks are booming, thanks to the Republican tax cuts*, VOX.com, https://www.vox.com/policy-and-politics/2018/3/22/17144870/stock-buybacks-republican-tax-cuts)

Investors are not only concerned with who the winners and losers will be under share buyback programs but who should decide when buybacks should occur. Institutional Investor Services conducted a global policy survey of 131 investors, 383 corporate issuers, 46 consultants/advisors and 13 service providers on significant policy issues.

With regard to share buybacks, they found that many European markets require shareholder votes on share buybacks. While a substantial proportion of U.S. investors surveyed supported votes on share buybacks, the proportion was less than half at the time of the survey. (*Results of ISS global survey reveal strong opinions on board gender diversity and mixed views on multi-class capital structures, share buybacks and virtual annual meetings*, https://cooleypubco.com/2017/10/09/results-of-iss-global-survey-reveal-strong-opinions-on-board-gender-diversity-and-mixed-views-on-multi-class-capital-structures-share-buybacks-and-virtual-annual-meetings/)

Others, such as SEC Chair Jay Clayton, have a public policy concern that buybacks could focus companies on the short-term goal of increasing stock price at the cost of long-term corporate investments. In Congressional testimony, Chair Clayton noted buybacks that put companies' obligations in jeopardy could be problematic. (*In Senate testimony, SEC Chair offers insights into his thinking on a variety of issues before the SEC*, Cooley PubCo, https://cooleypubco.com/2017/10/02/in-senate-testimony-sec-chair-offers-insights-into-his-thinking-on-a-variety-of-issues-before-the-sec/)

Research by Robert Ayres and Michael Olenick of INSEAD found "the more capital a business invests in buying its own stock, expressed as a ratio of capital invested in buybacks to current market capitalization, the less likely that company is to experience long-term growth in overall market value [*Secular Stagnation (Or Corporate Suicide?) https://ruayres.wordpress.com/2017/07/11/secular-stagnation-or-corporate-suicide]*.

SEC Commissioner Robert Jackson Jr. is concerned with the public policy issue that share buybacks could be misused by corporate executives. He believes SEC rules should be amended, "*at a minimum*, to deny the safe harbor to companies that choose to allow executives to cash out during a buyback." (*Stock Buybacks and*

Corporate Cashouts, June 11, 2018, https://www.sec.gov/news/speech/speech-jackson-061118#_ftn25)

Additional evidence of public controversy:

- Senate Bill 2605 would rescind the safe harbor under Rule 10b-18 for issuer repurchases and would prohibit companies from repurchasing their shares on the open market.
- Harvard Business Review article, *Are Buybacks Shortchanging Investment?*
- Rulemaking petition from Investors Exchange LLC (IEX) requesting the SEC amend Rule 10b-18.

The Company cites Ford Motor Co. (March 29, 2000) of an example where the SEC did not concur with a similar request to omit a proposal that would require stockholder approval, stating "the proposal appears to involve a matter of basic policy, rather than the specific terms and conditions of a stock repurchase plan or its implementation." The Company argues the current proposal is different, because it "would impose a stockholder approval requirement on the specific terms or each and every stock repurchase."

However, nothing in the proposal requires such specificity. In its nonbinding supporting statement, the proposal simply enumerates some of the concerns that have been expressed regarding buybacks that could be addressed by companies presenting "such new programs" to shareholders for a vote. Companies could choose to address these issues, or others, or none, as they so choose.

The Company cites a number of no-action letters concerning proposals that "included specific terms, conditions and/or mechanics related to the proposed repurchases." The subject proposal seeks to place no such restraints upon the Company.

The Company goes on to cite several other instances where "the proposal appears to involve a matter of basic policy, rather than the specific terms and conditions of a stock repurchase plan or is implementation." We suggest those cases are similar to this one in that respect. (*Exxon Mobil*, Mar. 11, 2016; *Reynolds American, Inc*; Jan. 12, 2016; *ITT Corporation*, Jan. 12, 2016; *Minerals Technologies, Inc*, Jan. 12, 2016)

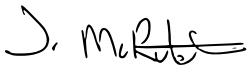
As the Company itself admits, "the Proposal itself does not specify the terms and conditions or any particular stock repurchase program."

However, the Company then asserts the Proposal "would subject the specific terms of each and every stock repurchase program to stockholder approval." How can both statements be true? The Proposal neither lays out specific conditions for stock repurchases nor does it require the Company to seek approval for "specific terms." It simply asks the Company to put new "programs" to a vote by shareholders.

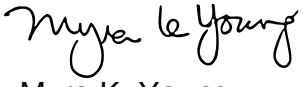
Conclusion

In permitting the exclusion of proposals, Rule 14a-8(g) imposes the burden of proof on companies. Companies seeking to establish the availability of exclusion under Rule 14a-8(i)(7), therefore, have the burden of showing ineligibility. The Company has failed to meet this burden and Staff must deny the no-action request. We would be pleased to respond to Staff questions. You can reach us directly by e-mailing jm@corpgov.net.

Sincerely,



James McRitchie
Shareholder Advocate



Myra K. Young
WBA Shareholder

***

cc: Mr. John Chevedden

Walgreens Boots Alliance, Inc.
108 Wilmot Road, MS #1858
Deerfield, Illinois 60015
Attention: Corporate Secretary
PH: 847 914-2500
FX: 847-914-2804
WBABoard@wba.com

Dear Corporate Secretary,

I am pleased to be a shareholder in Walgreens Boots Alliance Inc (WBA) and appreciate the leadership our company has shown on numerous issues. Our company has unrealized potential that can be unlocked through low or no cost measures by making our corporate governance more competitive.

The attached shareholder proposal on ***share repurchase programs or stock buybacks*** is submitted for a vote at the next annual shareholder meeting. The proposal meets all Rule 14a-8 requirements, including the continuous ownership of the required stock value for over a year. I pledge to continue to hold the required stock until after the date of the next shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended for use in the definitive proxy publication.

This letter confirms I am delegating John Chevedden and/or his designee to act as my agent regarding this Rule 14a-8 proposal, including its submission, negotiations and/or modification, and presentation at the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden ***
***
*** to facilitate prompt communication. Please identify me as the proponents of the proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors is appreciated in responding to this proposal. Please acknowledge receipt of my proposal promptly by email to ***

Sincerely,

Myra K. Young — July 30, 2018

Myra K. Young — Date

cc: investor.relations@wba.com

[WBA: Rule 14a-8 Proposal, July 30, 2018]
[This line and any line above it – *Not* for publication]
Proposal [4*] Require Shareholder Approval of Stock Buybacks

Resolved: Shareholders of Walgreens Boots Alliance Inc ("WBA") request that any open market share repurchase programs or stock buybacks ("buybacks") adopted by the Board after approval of this shareholder proposal shall not become effective until such new programs are approved by shareholders.

Supporting Statement: WBA announced a $10 billion buyback in June 2018 http://www.walgreensbootsalliance.com/newsroom/news/walgreens-boots-alliance-authorizes-10-billion-share-repurchase-program-and-increases-quarterly-dividend.htm. According to last year's proxy statement, a substantial proportion of compensation to executives was based on performance targets tied to stock price, including earnings per share (EPS) https://www.sec.gov/Archives/edgar/data/1618921/000119312517354603/d452082ddef14a.htm.

- Buybacks are a wash. Cash is withdrawn (reducing the value of the corporation), which is offset by the purchase and subsequent retirement of shares. For mergers, acquisitions, expansion, new products, innovation, etc. — there is at least the possibility of a payback. Not for buybacks.
- Prior to Rule 10b-18 in 1982, allowing buybacks, corporations reinvested about 50% of income back into the business. Dow 30 companies spent, on average, 126% of their income on buybacks and dividends during 2014-2016.
- Executives aggressively pursue buybacks because of personal incentives tied to short-term metrics, such as earnings per share (EPS), at the cost of long-term value creation.

Performance metrics that align senior executive pay with long-term sustainable growth are a plus. However, this alignment may not exist if a company uses earnings per share or certain financial return ratios to calculate incentive pay awards when the company is aggressively repurchasing its shares or if senior executives use the jump in stock price resulting from a buyback announcement as a chance to sell stock intended to incentivize performance.

Research by Robert Ayres and Michael Olenick of INSEAD found "the more capital a business invests in buying its own stock, expressed as a ratio of capital invested in buybacks to current market capitalization, the less likely that company is to experience long-term growth in overall market value [*Secular Stagnation (Or Corporate Suicide?)* https://ruayres.wordpress.com/2017/07/11/secular-stagnation-or-corporate-suicide].

Another recent study found "twice as many companies have insiders selling in the eight days after a buyback announcement as sell on an ordinary day" (*Stock Buyouts and Corporate Cashouts* https://corpgov.law.harvard.edu/2018/06/13/stock-buyouts-and-corporate-cashouts/#23b). SEC Commissioner Jackson stated that rules should be amended, "*at a minimum*, to deny the safe harbor to companies that choose to allow executives to cash out during a buyback."

For more information, read *Stock Buybacks: What Corporations Are Not Telling You by Arne Alsin* https://static1.squarespace.com/static/5af2028eee175963b8d8c0ff/t/5b4bdd8c352f534ffb7a63ca/1531698582690/Buybacks%2B11-3-17.pdf, *The Curse of Stock* Buybacks http://prospect.org/article/curse-stock-buybacks-0, and *Q&A: Economist William Lazonick On Stock Buyback Mania That Threatens The American Economy* https://www.wormcapital.com/insights/stock-buybacks-bill-lazonick.

Legacy pharmacies could face an existential threat in the near future from online competition (*Amazon buys online pharmacy PillPack* https://money.cnn.com/2018/06/28/news/companies/amazon-pillpack-pharmacy-drugstore/index.html). Why not gear up for that battle or provide a one-time dividend?

Let Shareholders Decide: Vote FOR Proposal [4*] Require Shareholder Approval of Stock Buybacks

Corporate Governance
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VIA EMAIL: shareholderproposals@sec.gov
Office of Chief Counsel
Division of Corporation Finance
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September 17, 2018

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The Proposal is not excludable under Rule 14a-8(i)(7) because it is directly focused on the significant public policy controversies associated with share buybacks.

Share buyback programs are a significant public policy issue, especially as the public attempts to determine the winners and losers are from last year's tax cut bill.

A Morgan Stanley survey found that analysts estimate 43 percent of tax cut savings will go to stock buybacks and dividends, while 13 percent will go to pay raises, bonuses, and employee benefits. Just Capital's analysis of 121 Russell 1000 companies found that 57 percent of tax savings will go to shareholders, compared to 20 percent directed to job creation and capital investment and 6 percent to workers…

What's more, the richest 10 percent of Americans own 80 percent of all stock shares. The bottom 80 percent of earners own just 8 percent…

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Investors are not only concerned with who the winners and losers will be under share buyback programs but who should decide when buybacks should occur. Institutional Investor Services conducted a global policy survey of 131 investors, 383 corporate issuers, 46 consultants/advisors and 13 service providers on significant policy issues.

With regard to share buybacks, they found that many European markets require shareholder votes on share buybacks. While a substantial proportion of U.S. investors surveyed supported votes on share buybacks, the proportion was less than half at the time of the survey. (*Results of ISS global survey reveal strong opinions on board gender diversity and mixed views on multi-class capital structures, share buybacks and virtual annual meetings*, https://cooleypubco.com/2017/10/09/results-of-iss-global-survey-reveal-strong-opinions-on-board-gender-diversity-and-mixed-views-on-multi-class-capital-structures-share-buybacks-and-virtual-annual-meetings/)

Others, such as SEC Chair Jay Clayton, have a public policy concern that buybacks could focus companies on the short-term goal of increasing stock price at the cost of long-term corporate investments. In Congressional testimony, Chair Clayton noted buybacks that put companies' obligations in jeopardy could be problematic. (*In Senate testimony, SEC Chair offers insights into his thinking on a variety of issues before the SEC*, Cooley PubCo, https://cooleypubco.com/2017/10/02/in-senate-testimony-sec-chair-offers-insights-into-his-thinking-on-a-variety-of-issues-before-the-sec/)

Research by Robert Ayres and Michael Olenick of INSEAD found "the more capital a business invests in buying its own stock, expressed as a ratio of capital invested in buybacks to current market capitalization, the less likely that company is to experience long-term growth in overall market value [*Secular Stagnation (Or Corporate Suicide?) https://ruayres.wordpress.com/2017/07/11/secular-stagnation-or-corporate-suicide]*.

SEC Commissioner Robert Jackson Jr. is concerned with the public policy issue that share buybacks could be misused by corporate executives. He believes SEC rules should be amended, "*at a minimum*, to deny the safe harbor to companies that choose to allow executives to cash out during a buyback." (*Stock Buybacks and*

Corporate Cashouts, June 11, 2018, https://www.sec.gov/news/speech/speech-jackson-061118#_ftn25)

Additional evidence of public controversy:

- Senate Bill 2605 would rescind the safe harbor under Rule 10b-18 for issuer repurchases and would prohibit companies from repurchasing their shares on the open market.
- Harvard Business Review article, *Are Buybacks Shortchanging Investment?*
- Rulemaking petition from Investors Exchange LLC (IEX) requesting the SEC amend Rule 10b-18.

The Company cites Ford Motor Co. (March 29, 2000) of an example where the SEC did not concur with a similar request to omit a proposal that would require stockholder approval, stating "the proposal appears to involve a matter of basic policy, rather than the specific terms and conditions of a stock repurchase plan or its implementation." The Company argues the current proposal is different, because it "would impose a stockholder approval requirement on the specific terms or each and every stock repurchase."

However, nothing in the proposal requires such specificity. In its nonbinding supporting statement, the proposal simply enumerates some of the concerns that have been expressed regarding buybacks that could be addressed by companies presenting "such new programs" to shareholders for a vote. Companies could choose to address these issues, or others, or none, as they so choose.

The Company cites a number of no-action letters concerning proposals that "included specific terms, conditions and/or mechanics related to the proposed repurchases." The subject proposal seeks to place no such restraints upon the Company.

The Company goes on to cite several other instances where "the proposal appears to involve a matter of basic policy, rather than the specific terms and conditions of a stock repurchase plan or is implementation." We suggest those cases are similar to this one in that respect. (*Exxon Mobil*, Mar. 11, 2016; *Reynolds American, Inc*; Jan. 12, 2016; *ITT Corporation*, Jan. 12, 2016; *Minerals Technologies, Inc*, Jan. 12, 2016)

As the Company itself admits, "the Proposal itself does not specify the terms and conditions or any particular stock repurchase program."

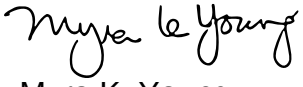
However, the Company then asserts the Proposal "would subject the specific terms of each and every stock repurchase program to stockholder approval." How can both statements be true? The Proposal neither lays out specific conditions for stock repurchases nor does it require the Company to seek approval for "specific terms." It simply asks the Company to put new "programs" to a vote by shareholders.

Conclusion

In permitting the exclusion of proposals, Rule 14a-8(g) imposes the burden of proof on companies. Companies seeking to establish the availability of exclusion under Rule 14a-8(i)(7), therefore, have the burden of showing ineligibility. The Company has failed to meet this burden and Staff must deny the no-action request. We would be pleased to respond to Staff questions. You can reach us directly by e-mailing jm@corpgov.net.

Sincerely,

James McRitchie
Shareholder Advocate



Myra K. Young
WBA Shareholder

***

cc: Mr. John Chevedden

Walgreens Boots Alliance, Inc.
108 Wilmot Road, MS #1858
Deerfield, Illinois 60015
Attention: Corporate Secretary
PH: 847 914-2500
FX: 847-914-2804
WBABoard@wba.com

Dear Corporate Secretary,

I am pleased to be a shareholder in Walgreens Boots Alliance Inc (WBA) and appreciate the leadership our company has shown on numerous issues. Our company has unrealized potential that can be unlocked through low or no cost measures by making our corporate governance more competitive.

The attached shareholder proposal on ***share repurchase programs or stock buybacks*** is submitted for a vote at the next annual shareholder meeting. The proposal meets all Rule 14a-8 requirements, including the continuous ownership of the required stock value for over a year. I pledge to continue to hold the required stock until after the date of the next shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended for use in the definitive proxy publication.

This letter confirms I am delegating John Chevedden and/or his designee to act as my agent regarding this Rule 14a-8 proposal, including its submission, negotiations and/or modification, and presentation at the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden ***
***
*** to facilitate prompt communication. Please identify me as the proponents of the proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors is appreciated in responding to this proposal. Please acknowledge receipt of my proposal promptly by email to ***

Sincerely,

Myra K. Young

July 30, 2018

Myra K. Young

Date

cc: investor.relations@wba.com

[WBA: Rule 14a-8 Proposal, July 30, 2018]
[This line and any line above it – *Not* for publication]
Proposal [4*] Require Shareholder Approval of Stock Buybacks

Resolved: Shareholders of Walgreens Boots Alliance Inc ("WBA") request that any open market share repurchase programs or stock buybacks ("buybacks") adopted by the Board after approval of this shareholder proposal shall not become effective until such new programs are approved by shareholders.

Supporting Statement: WBA announced a $10 billion buyback in June 2018 http://www.walgreensbootsalliance.com/newsroom/news/walgreens-boots-alliance-authorizes-10-billion-share-repurchase-program-and-increases-quarterly-dividend.htm. According to last year's proxy statement, a substantial proportion of compensation to executives was based on performance targets tied to stock price, including earnings per share (EPS) https://www.sec.gov/Archives/edgar/data/1618921/000119312517354603/d452082ddef14a.htm.

- Buybacks are a wash. Cash is withdrawn (reducing the value of the corporation), which is offset by the purchase and subsequent retirement of shares. For mergers, acquisitions, expansion, new products, innovation, etc. — there is at least the possibility of a payback. Not for buybacks.
- Prior to Rule 10b-18 in 1982, allowing buybacks, corporations reinvested about 50% of income back into the business. Dow 30 companies spent, on average, 126% of their income on buybacks and dividends during 2014-2016.
- Executives aggressively pursue buybacks because of personal incentives tied to short-term metrics, such as earnings per share (EPS), at the cost of long-term value creation.

Performance metrics that align senior executive pay with long-term sustainable growth are a plus. However, this alignment may not exist if a company uses earnings per share or certain financial return ratios to calculate incentive pay awards when the company is aggressively repurchasing its shares or if senior executives use the jump in stock price resulting from a buyback announcement as a chance to sell stock intended to incentivize performance.

Research by Robert Ayres and Michael Olenick of INSEAD found "the more capital a business invests in buying its own stock, expressed as a ratio of capital invested in buybacks to current market capitalization, the less likely that company is to experience long-term growth in overall market value [*Secular Stagnation (Or Corporate Suicide?)* https://ruayres.wordpress.com/2017/07/11/secular-stagnation-or-corporate-suicide].

Another recent study found "twice as many companies have insiders selling in the eight days after a buyback announcement as sell on an ordinary day" (*Stock Buyouts and Corporate Cashouts* https://corpgov.law.harvard.edu/2018/06/13/stock-buyouts-and-corporate-cashouts/#23b). SEC Commissioner Jackson stated that rules should be amended, "*at a minimum*, to deny the safe harbor to companies that choose to allow executives to cash out during a buyback."

For more information, read *Stock Buybacks: What Corporations Are Not Telling You by Arne Alsin* https://static1.squarespace.com/static/5af2028eee175963b8d8c0ff/t/5b4bdd8c352f534ffb7a63ca/1531698582690/Buybacks%2B11-3-17.pdf, *The Curse of Stock* Buybacks http://prospect.org/article/curse-stock-buybacks-0, and *Q&A: Economist William Lazonick On Stock Buyback Mania That Threatens The American Economy* https://www.wormcapital.com/insights/stock-buybacks-bill-lazonick.

Legacy pharmacies could face an existential threat in the near future from online competition (*Amazon buys online pharmacy PillPack* https://money.cnn.com/2018/06/28/news/companies/amazon-pillpack-pharmacy-drugstore/index.html). Why not gear up for that battle or provide a one-time dividend?

Let Shareholders Decide: Vote FOR Proposal [4*] Require Shareholder Approval of Stock Buybacks

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1934 Act/Rule 14a-8

September 14, 2018

VIA E-MAIL (*shareholderproposals@sec.gov*)

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

Re: Walgreens Boots Alliance, Inc.
Stockholder Proposal of Myra K. Young

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client Walgreens Boots Alliance, Inc., a Delaware corporation (the "***Company***"), which requests confirmation that the staff (the "***Staff***") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "***Commission***") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "***Exchange Act***"), the Company omits the enclosed stockholder proposal (the "***Proposal***") and supporting statement (the "***Supporting Statement***") submitted by Myra K. Young (the "***Proponent***") from the Company's proxy materials for its 2019 Annual Meeting of Stockholders (the "***2019 Proxy Materials***").

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and

- concurrently sent copies of this correspondence to the Proponent.

Copies of the Proposal and Supporting Statement, the Proponent's cover letter submitting the Proposal, and other correspondence relating to the Proposal are attached hereto as Exhibit A.

Pursuant to the guidance provided in Section F of Staff Legal Bulletin No. 14F (Oct. 18, 2011), we ask that the Staff provide its response to this request to Martin Dunn, on behalf of the Company, via email at mdunn@mofo.com or via facsimile at (202) 887-0763, and to the Proponent's representative, John Chevedden, via email at ***

I. THE PROPOSAL

On or after July 30, 2018, the Company received letters from the Proponent containing the Proposal for inclusion in the Company's 2019 Proxy Materials. The Proposal reads as follows:

> *Resolved, Shareholders of Walgreens Boots Alliance Inc ("WBA") request that any open market share repurchase programs or stock buybacks ("buybacks") adopted by the Board after approval of this shareholder proposal shall not become effective until such new programs are approved by shareholders.*

The Proposal was accompanied by a Supporting Statement, which is included in Exhibit A.

II. EXCLUSION OF THE PROPOSAL

A. Basis for Excluding the Proposal

As discussed more fully below, the Company believes it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7), as the Proposal deals with matters relating to the Company's ordinary business operations.

B. The Proposal May Be Omitted in Reliance on Rule 14a-8(i)(7), As It Relates To The Company's Ordinary Business Operations

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a stockholder proposal that relates to the company's "ordinary business operations." According to the Commission, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals*, [1998 Transfer Binder] Fed Sec. L. Rep. (CCH) 86,018, at 80,539 (May 21, 1998) (the "***1998 Release***"). In the 1998 Release, the Commission described the two "central considerations" for the ordinary business exclusion. The first is that certain tasks are "so fundamental to management's ability to run a company on a day-to-day basis that they 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, as a group, would not be in a position to make an informed judgment." *Id*. at 86,017-18 (footnote omitted).

1. The Proposal May be Omitted Because it Seeks to Micromanage the Company

It is the Company's view that the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the proposal seeks to micromanage the Company.

As noted above, the Commission has stated that a proposal may be properly omitted under Rule 14a-8(i)(7) if "the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *1988 Release* at 86,017-18 (footnote omitted). Decisions with respect to stock repurchase programs are extremely complex such that shareholders, as a group, would not be in a position to make an informed judgment regarding the approval of any proposed stock repurchase program. The Company's determination of the manner and amount of capital to be returned to stockholders, whether through share repurchases or dividends, is inherently fact-specific and rooted in the day-to-day business of the Company. The Company's management and Board of Directors consider, among other factors, current and expected levels of financial performance and liquidity, the trading price and volatility of the Company's shares, current and expected interest rates and other economic factors, the availability of alternative sources of capital and potential competing uses of capital, including reinvestment in current lines of business, research and development, funding expansion or pursuing acquisitions, the ability to legally repurchase shares under applicable insider trading and market manipulation laws and other considerations management and the Board of Directors deem relevant. In addition, each potential competing use of capital requires an analysis of the business environment, competitive conditions, economic trends, tax consequences and regulatory developments, among other factors. Management and the Board further consider the projected benefits and risks of potential courses of action and may involve consultation with financial, legal, accounting and other advisors.

The Commission has long held that proposals requesting the establishment of a policy (*e.g.*, like the policy requested in the Proposal that stockholders approve all stock repurchases) are evaluated by the Staff by considering the underlying subject matter of the proposal when applying Rule 14a-8(i)(7). *See* Commission Release No. 34-20091 (Aug. 16, 1983) (the "***1983 Release***"). The underlying subject matter of the Proposal is stockholder approval of the specific terms and conditions of any stock repurchases. As the factors in the preceding paragraph make clear, in evaluating any stock repurchases pursuant to the Proposal, stockholders would have to undertake a complex analysis to reach an informed judgment with respect to which they, as a

group, would not be in a position to do. As such, the Proposal would micromanage the Company for purposes of Rule 14a-8(i)(7).

The Staff recently has concurred with the omission of a number of shareholder proposals on the basis that the proposals seek to micromanage a company. *See, e.g.*, *PayPal Holding, Inc.* (Mar. 6, 2018) and *EOG Resources, Inc.* (Feb. 26, 2018) (reduce greenhouse gas emissions); *Amazon.com, Inc.* (Mar. 6, 2018), *Verizon Communications Inc.* (Mar. 6, 2018), *Deere & Company* (Dec. 27, 2017), and *Apple Inc.* (Dec. 20, 2017) (net zero omissions); and *Amazon.com, Inc.* (Jan. 18, 2018) (list a particular type of showerhead before other showerheads). The Proposal similarly would micromanage the company by substituting management's and the Board of Directors' analysis and judgment with that of stockholders who, as a group, would not be in a position to exercise informed judgment. The decision to repurchase shares and when to do so involves significant financial analysis by those trained to do so, which must be consistent with the other current and long-term financial policies and goals of the Company. A decision to repurchase shares, and in what amount, also requires specific, detailed knowledge about the Company's financial forecasts and business plans, information that is not generally available to stockholders and, given the highly sensitive and confidential nature of such information, would be impracticable to provide to stockholders in connection with any vote on stock repurchases. Disclosure of such information would cause significant competitive harm to the Company by informing competitors of the Company's future plans.

Further, the practical realities of a policy to require stockholder approval of each and every stock repurchase underscores the extreme level to which the Proposal seeks to micromanage the Company's day-to-day decision making. Under the Proposal, after substantial analysis, management and the Board would be required to recommend a share repurchase proposal for stockholder approval. If stockholders do not approve, the determination of management and the Board would be over-ridden, which would require reconsideration of the specific terms of a stock repurchase. Upon such reconsideration, management and the Board then would have to determine whether they should call a special meeting given their view on stock repurchase opportunities or wait until the next regularly scheduled meeting. Further, a stock repurchase opportunity that existed at the time stockholder approval was initially sought may no longer be available to the Company given the time and resources needed to again seek stockholder approval. Alternatively, management and the Board could ask stockholders to consider alternative proposals. Such an approach, however, would only amplify the degree to which stockholders would be asked to delve into extremely complex matters upon which stockholders, as a group, would not be in a position to undertake an informed decision.

The Proposal further seeks stockholder approval not only of "open market share repurchase programs" but of all "stock buybacks," which would subject certain of the Company's day-to-day operations to direct stockholder oversight. For example, upon the vesting of certain equity awards regularly made to Company employees, the Company withholds shares

to pay withholding taxes. Such withholding can be characterized as a "stock buyback." The Proposal seeks to require stockholder approval of such activity, which clearly would micromanage the Company's day-to-day activities with respect to equity compensation. The Company also has regularly maintained an anti-dilution repurchase program to offset the impact of issuances of shares of common stock under the Company's equity plans. Although the general parameters of such program are set based on estimated issuances under those plans, execution of the program requires management to dynamically match forecasted dilutive activity over the course of the program. It would be completely impracticable to subject that dynamic matching to stockholder oversight, further evidencing the degree to which the Proposal would micromanage management's day-to-day activities with respect to stock buybacks, in addition to the complexity of such activities with respect to which stockholders, as a group, are not in a position to make an informed judgment.

We note that the Staff, in *Ford Motor Co.* (Mar. 29, 2000), did not concur with the omission under Rule 14a-8(i)(7) of a proposal that would require stockholder approval of any stock repurchases, stating that "the proposal appears to involve a matter of basic policy, rather than the specific terms and conditions of a stock repurchase plan or its implementation." The Company respectfully submits, however, that the Proposal is not merely a matter of "basic policy." A matter of basic policy might involve a proposal that seeks stockholder approval regarding generally whether a company should have stock repurchase programs. The Proposal, however, goes far beyond that matter of "basic policy"; the Proposal, as described above, would subject *every* stock repurchase, and the terms thereof, to stockholder approval. Such a practice is not basic policy but micromanagement of the Company's business decisions.[1]

As the Proposal would impose a stockholder approval requirement on the specific terms of each and every stock repurchase, the Proposal seeks to place every such decision at the discretion of stockholders. As such, the Company is of the view that the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which stockholders, as a group, would not be in a position to make an informed judgment. As a result, the Proposal may be omitted pursuant to Rule 14a-8(i)(7) as it seeks to micromanage the Company.

[1] We further note that in *Ford Motor*, the Company made no direct argument regarding the proposal's attempt to micromanage the company for purposes of Rule 14a-8(i)(7). Per the Staff's guidance in Staff Legal Bulletin No. 14, the Staff "will not consider any basis for exclusion that is not advanced by the company." Accordingly, the Company believes that the issue of whether a proposal like the Proposal seeks to micromanage a company for purposes of Rule 14a-8(i)(7) may not have been considered in *Ford Motor*.

2. The Proposal Relates to Stock Repurchase Programs, a Matter of Ordinary Business Operations

The Proposal requests that any open market stock repurchase program or stock buybacks adopted by the Board not be effective until approved by stockholders. The Company is of the view that the Proposal may be properly omitted from the Company's 2019 Proxy Materials in reliance on Rule 14a-8(i)(7) because the Staff has repeatedly recognized that a proposal seeking to require stockholder approval of stock repurchases is excludable under Rule 14a-8(i)(7) as a component of "ordinary business."

The Company's determination of the manner and amount of capital to be returned to shareholders, whether through share repurchases or dividends, is inherently fact-specific and rooted in the day-to-day business of the company. The Company's management and Board of Directors considers, among other factors, current and expected levels of financial performance and liquidity, the trading price and volatility of the company's shares, current and expected interest rates and other economic factors, the availability of alternative sources of capital and potential competing uses of capital, including reinvestment in current lines of business, research and development, funding expansion or pursuing acquisitions, the ability to legally repurchase shares under applicable insider trading and market manipulation laws and other considerations management and the Board of Directors deem relevant. In addition, each potential competing use of capital requires an analysis of the business environment, competitive conditions, economic trends, tax consequences and regulatory developments, among other factors. Management and the Board further consider the projected benefits and risks of potential courses of action and may involve consultation with financial, legal, accounting and other advisors. If implemented, the Proposal would short-circuit this deliberative process by subjecting any final decision by management and the Board of Directors to approval of the Company's stockholders.

The Staff has consistently concurred in the omission under Rule 14a-8(i)(7) of a variety of proposals related to the repurchase of a company's stock as a matter relating to the conduct of the company's ordinary business operations. *See, e.g.*, *MFRI, Inc.* (Mar. 20, 2017) (proposal to authorize and implement a three-year share repurchase program that would repurchase 1,000,000 shares of stock); *Harris* & *Harris Group, Inc.* (Apr. 3, 2015) (proposal to buy back stock on a quarterly basis utilizing 5% of existing cash when the stock is selling for more than a 10% discount to book value); *Fauquier Bankshares, Inc.* (Feb. 21, 2012) (proposal to require the company to annually buy back shares commensurate to shares granted directly or indirectly to officers and directors); *Concurrent Computer Corporation* (July 13, 2011) (proposal to undertake a Dutch Auction Tender Offer to repurchase up to $7.5 million of common stock); *Vishay Intertechnology, Inc.* (Mar. 23, 2009) (proposal to repurchase the company's class B shares within a certain amount of time in exchange for the company's common stock); *Medstone International, Inc.* (May 1, 2003) (proposal to repurchase one million shares of the company's

common stock in a 12 month period); *Apple Inc.* (Mar. 3, 2003) (proposal to set certain parameters restricting a share repurchase program); *Lucent Technologies Inc.* (Nov. 16, 2000) (proposal to implement a share repurchase program); *Ford Motor Company* (Mar. 28, 2000) (proposal to institute a $10 billion share repurchase program); *The LTV Corporation* (Mar. 13, 2000) (proposal to implement a $100 million share repurchase program). *See also Pfizer, Inc.* (Feb. 4, 2005) (proposal to increase dividend in lieu of repurchasing the company's shares); *Cleco Corp.* (Jan. 21, 2003) (proposal to redeem a series of preferred stock); *American Recreation Centers, Inc.* (Dec. 18, 1996) (proposal to repurchase common stock to reduce the number of shares outstanding to a designated amount); *Food Lion, Inc.* (Feb. 22, 1996) (proposal to amend a stock repurchase plan to, among other things, expand the amount of stock repurchased); *Clothestime, Inc.* (Mar. 13, 1991) (proposal to repurchase 2.5 million shares of common stock in the open market under specified terms and conditions); *Chevron Corporation* (Feb. 15, 1990) (proposal to repurchase common stock in the open market under specified terms and conditions); and *Research Cottrell, Inc.* (Dec. 31, 1986) (proposal to repurchase up to 2 million shares of common stock in open market or block transactions).

We note that in the letters cited above, the proposals included specific terms, conditions and/or mechanics related to the proposed repurchases. We further note that the Staff has not concurred with the omission of certain stock repurchase proposals in the past where the proposals did not provide specific terms of the proposed repurchase but rather more generally related to stock repurchase policy. *See, e.g.*, *Exxon Mobil* (Mar. 11, 2016) (proposal to adopt and issue a general payout policy that gives preference to share repurchases (relative to cash dividends)); *Reynolds American, Inc.* (Jan. 12, 2016) (same); *ITT Corporation* (Jan. 12, 2016) (same); and *Minerals Technologies, Inc.* (Jan. 12, 2016) (same). In particular, in *Ford Motor Co.* (Mar. 29, 2000), the company sought concurrence from the Staff that it could omit a proposal that would require stockholders' approval of any stock repurchases pursuant to Rule 14a-8(i)(7) as related to the company's ordinary business operations. The Staff did not concur with the company's view to omit the proposal, noting that "the proposal appears to involve a matter of basic policy, rather than the specific terms and conditions of a stock repurchase plan or its implementation."

Although the Company respects the Staff's prior position in *Ford Motor Co.*, the Company asks that the Staff reconsider such position in light of the following arguments. In *Ford Motor Co.* (Mar. 29, 2000), the Staff did not concur with the omission under Rule 14a-8(i)(7) of a proposal that would require stockholder approval of any stock repurchases, stating that "the proposal appears to involve a matter of basic policy, rather than the specific terms and conditions of a stock repurchase plan or its implementation." The Company respectfully submits, however, that the Proposal is not merely a matter of "basic policy." A matter of basic policy might involve a proposal that seeks stockholder approval regarding generally whether a company should have stock repurchase programs. The Proposal, however, goes far beyond that matter of

"basic policy." In the case of the Proposal, although the Proposal itself does not specify the terms and conditions of any particular stock repurchase program, implementation of the Proposal would subject the specific terms of each and every stock repurchase program to stockholder approval. In that way, the Proposal clearly relates to the ordinary business of the Company as stockholders would have control over the implementation, or lack thereof, of any stock repurchase program that management and the Board have approved. The Proposal in effect would permit stockholders to dictate the terms of any stock repurchases undertaken by the Company in the same manner as the precedent cited above where the Staff concurred that the proposals could be excluded. As such, the Proposal, in the Company's view, is not a matter of "basic policy"; rather, the Proposal, if implemented, would permit stockholders to dictate specific terms of any stock repurchases in the same way as the proposals above (*MFRI, Inc.*, *Harris & Harris Group, Inc.*, *Fauquier Bankshares, Inc.*, *et al.*) where the Staff concurred in the exclusion of those proposals. The Company sees no meaningful distinction between a proposal that requests specific terms of a stock buyback and a proposal that would require stockholder approval of all stock buybacks, which would subject every permutation of stock buybacks to stockholder approval. The Company believes the Proposal also is distinguishable from the proposals in *Exxon Mobil*, *Reynolds American, Inc.*, *ITT Corporation* and *Minerals Technologies, Inc.* Those proposals also implicated the companies' dividend policies, which the Staff and the Commission have recognized involves a significant policy issue. *See*, *e.g.*, *Sonoma West Holdings* (Jul. 20, 2000) (proposal requesting that the company pay dividends was not excludable because, according to the Staff, "whether to pay dividends does not involve 'ordinary' business matters because this issue is extremely important to most security holders, and involves significant economic and policy considerations"). Unlike those letters, the Proposal makes no mention of dividends.

The Company also would submit that the Staff's prior position regarding a stock repurchase approval proposal of the type in *Ford Motor Co.* appears somewhat inconsistent with other types of proposals seeking shareholder approval of capital actions with respect to which the Staff has concurred that those proposals involve a company's ordinary business. For example, the Staff has concurred with the omission of proposals that sought shareholder preapproval of any share issuances. *See*, *e.g.*, *Bank of America Corporation* (Jan. 10, 2011) (proposal requesting a bylaw amendment to require shareholder approval before the company could authorize and issue additional common shares with certain limitations was excludable as "[p]roposals concerning the issuance of authorized shares are generally excludable under rule 14a-8(i)(7)"); *Harken Energy Corporation* (Mar. 31, 2001) (proposal requesting that the board adopt a resolution providing for stockholder approval before any of the company's stock could be issued was excludable as the proposal related to the company's "ordinary business operations (*i.e.*, the issuance of authorized shares)"); and *NetCurrents, Inc.* (May 3, 2001) (same). The Staff's decision appears to rely, at least in part, on the fact that share issuances would come from the authorized but unissued shares set forth in a company's charter, which authorized shares would

already have been approved by shareholders. Share repurchases have no practical difference. A company's board of directors, pursuant to the authority set forth in the company's governing instruments and general corporate law, may approve share repurchases. A shareholder's investment in the company reflects his or her acceptance of that, in the same way that a shareholder who was not involved in the initial approval of the authorized shares accepts that the company can issue additional shares without shareholder approval.[2] As such, there is no meaningful distinction between the Board's authority with respect to the two similar, albeit opposite, actions with respect to the stock. Under the Staff's prior positions, however, a proposal to require shareholder approval of stock issuances may be omitted under Rule 14a-8(i)(7) while a proposal to require shareholder approval of stock repurchases may not be so omitted. The Company respectfully believes that, given that the Board's authority is the same in both instances, the Staff's positions on the two types of proposals are not congruent.

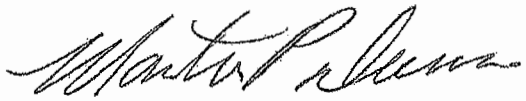
As the Proposal addresses the implementation of a stock repurchase program, it relates to the Company's ordinary business operations. The Company is, therefore, of the view that it may properly omit the Proposal and Supporting Statement from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(7).

[2] We note that under stock exchange rules, certain share issuances would require shareholder approval.

III. CONCLUSION

For the reasons discussed above, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2019 Proxy Materials in reliance on Rule 14a-8. As such, we respectfully request that the Staff concur with the Company's view and not recommend enforcement action to the Commission if the Company omits the Proposal and Supporting Statement from its 2019 Proxy Materials. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,



Martin P. Dunn
of Morrison & Foerster LLP

Attachments

cc: John Chevedden
Joseph B. Amsbary, Jr., Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc.
Mark L. Dosier, Director, Securities Law, Walgreens Boots Alliance, Inc.
Kelsey Chin, Director, Tax and Capital Markets - Legal, Walgreens Boots Alliance, Inc.

Exhibit A

From: ***
Sent: Monday, July 30, 2018 7:31 PM
To: Smyser, Collin <Collin.Smyser@wba.com>
Cc: Chin, Kelsey <kelsey.chin@wba.com>
Subject: Rule 14a-8 Proposal (WBA)``

Mr. Smyser,
Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.
Sincerely,
John Chevedden

Walgreens Boots Alliance, Inc.
108 Wilmot Road, MS #1858
Deerfield, Illinois 60015
Attention: Corporate Secretary
PH: 847 914-2500
FX: 847-914-2804
WBABoard@wba.com

Dear Corporate Secretary,

I am pleased to be a shareholder in Walgreens Boots Alliance Inc (WBA) and appreciate the leadership our company has shown on numerous issues. Our company has unrealized potential that can be unlocked through low or no cost measures by making our corporate governance more competitive.

The attached shareholder proposal on ***share repurchase programs or stock buybacks*** is submitted for a vote at the next annual shareholder meeting. The proposal meets all Rule 14a-8 requirements, including the continuous ownership of the required stock value for over a year. I pledge to continue to hold the required stock until after the date of the next shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended for use in the definitive proxy publication.

This letter confirms I am delegating John Chevedden and/or his designee to act as my agent regarding this Rule 14a-8 proposal, including its submission, negotiations and/or modification, and presentation at the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden ***
***
*** to facilitate prompt communication. Please identify me as the proponents of the proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors is appreciated in responding to this proposal. Please acknowledge receipt of my proposal promptly by email to ***

Sincerely,

Myra K. Young

July 30, 2018

Myra K. Young

Date

cc: investor.relations@wba.com

[WBA: Rule 14a-8 Proposal, July 30, 2018]
[This line and any line above it – *Not* for publication]

Proposal [4*] Require Shareholder Approval of Stock Buybacks

Resolved: Shareholders of Walgreens Boots Alliance Inc ("WBA") request that any open market share repurchase programs or stock buybacks ("buybacks") adopted by the Board after approval of this shareholder proposal shall not become effective until such new programs are approved by shareholders.

Supporting Statement: WBA announced a $10 billion buyback in June 2018 http://www.walgreensbootsalliance.com/newsroom/news/walgreens-boots-alliance-authorizes-10-billion-share-repurchase-program-and-increases-quarterly-dividend.htm. According to last year's proxy statement, a substantial proportion of compensation to executives was based on performance targets tied to stock price, including earnings per share (EPS) https://www.sec.gov/Archives/edgar/data/1618921/000119312517354603/d452082ddef14a.htm.

- Buybacks are a wash. Cash is withdrawn (reducing the value of the corporation), which is offset by the purchase and subsequent retirement of shares. For mergers, acquisitions, expansion, new products, innovation, etc. — there is at least the possibility of a payback. Not for buybacks.
- Prior to Rule 10b-18 in 1982, allowing buybacks, corporations reinvested about 50% of income back into the business. Dow 30 companies spent, on average, 126% of their income on buybacks and dividends during 2014-2016.
- Executives aggressively pursue buybacks because of personal incentives tied to short-term metrics, such as earnings per share (EPS), at the cost of long-term value creation.

Performance metrics that align senior executive pay with long-term sustainable growth are a plus. However, this alignment may not exist if a company uses earnings per share or certain financial return ratios to calculate incentive pay awards when the company is aggressively repurchasing its shares or if senior executives use the jump in stock price resulting from a buyback announcement as a chance to sell stock intended to incentivize performance.

Research by Robert Ayres and Michael Olenick of INSEAD found "the more capital a business invests in buying its own stock, expressed as a ratio of capital invested in buybacks to current market capitalization, the less likely that company is to experience long-term growth in overall market value [*Secular Stagnation (Or Corporate Suicide?)* https://ruayres.wordpress.com/2017/07/11/secular-stagnation-or-corporate-suicide].

Another recent study found "twice as many companies have insiders selling in the eight days after a buyback announcement as sell on an ordinary day" (*Stock Buyouts and Corporate Cashouts* https://corpgov.law.harvard.edu/2018/06/13/stock-buyouts-and-corporate-cashouts/#23b). SEC Commissioner Jackson stated that rules should be amended, "*at a minimum*, to deny the safe harbor to companies that choose to allow executives to cash out during a buyback."

For more information, read *Stock Buybacks: What Corporations Are Not Telling You by Arne Alsin* https://static1.squarespace.com/static/5af2028eee175963b8d8c0ff/t/5b4bdd8c352f534ffb7a63ca/1531698582690/Buybacks%2B11-3-17.pdf, *The Curse of Stock* Buybacks http://prospect.org/article/curse-stock-buybacks-0, and *Q&A: Economist William Lazonick On Stock Buyback Mania That Threatens The American Economy* https://www.wormcapital.com/insights/stock-buybacks-bill-lazonick.

Legacy pharmacies could face an existential threat in the near future from online competition (*Amazon buys online pharmacy PillPack* https://money.cnn.com/2018/06/28/news/companies/amazon-pillpack-pharmacy-drugstore/index.html). Why not gear up for that battle or provide a one-time dividend?

Let Shareholders Decide: Vote FOR Proposal [4*] Require Shareholder Approval of Stock Buybacks

[This line and any below are *not* for publication] Number 4* to be assigned by WBA.

Myra K. Young, *** sponsored this proposal.

Notes:
This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email
***

From: Deckelboim, Sherri J.
Sent: Tuesday, August 07, 2018 7:04 PM
To: ***
Cc: Lesmes, Scott; Dunn, Marty
Subject: Shareholder Proposal Notice
Attachments: WBA - Myra K Young - Notice of Deficiency (Aug 7 2018).pdf

Mr. Chevedden,

On behalf of Walgreens Boots Alliance, Inc., please find attached a notice under Rule 14a-8(f) relating to a proposal submitted to the company by Myra K. Young. The proposal is captioned as follows: “Require Shareholder Approval of Stock Buybacks.”

Please follow the instructions within the notice regarding your response.

Best regards,
Sherri Deckelboim

SHERRI DECKELBOIM
Associate | Morrison & Foerster LLP
2000 Pennsylvania Avenue, NW | Washington, DC 20006-1888
P: +1 (202) 778-1441
mofo.com | LinkedIn | Twitter
Not admitted in District of Columbia. Practice supervised by principals of firm admitted to District of Columbia Bar.

MORRISON | FOERSTER

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MORRISON & FOERSTER LLP
BEIJING, BERLIN, BRUSSELS,
DENVER, HONG KONG, LONDON,
LOS ANGELES, NEW YORK,
NORTHERN VIRGINIA, PALO ALTO,
SAN DIEGO, SAN FRANCISCO, SHANGHAI,
SINGAPORE, TOKYO, WASHINGTON, D.C.

Writer's Direct Contact
+1 (202) 887-1585
slesmes@mofo.com

August 7, 2018

VIA OVERNIGHT DELIVERY AND EMAIL ***

John Chevedden
***

Re: Stockholder Proposal

Dear Mr. Chevedden:

On July 30, 2018, Walgreens Boots Alliance, Inc. (referred to herein as "we" or "the Company") received your letter requesting that a proposal (the "Proposal") submitted by you on behalf of Myra K. Young (the "Proponent") be included in the proxy materials for the Company's 2019 Annual Meeting of Stockholders (the "2019 Annual Meeting"). This letter is being delivered to your attention because the Proponent named you in her cover letter to act as her proxy regarding the Proposal and indicated that all communications regarding the Proposal should be directed to you. This submission is governed by Rule 14a-8 under the Securities Exchange Act of 1934 ("Rule 14a-8"), which sets forth the eligibility and procedural requirements for submitting stockholder proposals to the Company, as well as thirteen substantive bases under which companies may exclude stockholder proposals. We have included a complete copy of Rule 14a-8 with this letter for your reference.

Based on the Company's review of the information provided in your letter, the Company's records, and regulatory materials, the Company is unable to conclude that the Proponent's submission meets the requirements of Rule 14a-8. The Proposal contains a procedural deficiency, as set forth below, which Securities and Exchange Commission ("SEC") regulations require us to bring to your attention. Unless the deficiency described below can be remedied in the proper time frame, as discussed below, the Company will be entitled to exclude the Proposal from its proxy materials for the 2019 Annual Meeting.

Ownership Verification

Rule 14a-8(b) provides that to be eligible to submit a stockholder proposal, each stockholder proponent must submit sufficient proof that he or she has continuously held at least $2,000 in market value, or 1 percent, of the Company's securities entitled to vote on the proposal at the meeting for at least one year as of the date the stockholder submits the proposal. According to the records of the Company's transfer agent, EQ Shareowner Services, the Proponent does not appear to be a registered stockholder. In addition, to date the Company has not received proof that the Proponent has satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, you must submit sufficient proof of the Proponent's ownership of the Company's securities. As explained in Rule 14a-8(b), sufficient proof may be in one of the following forms:

- A written statement from the "record" holder of the shares (usually a broker or a bank) verifying that, as of the date the Proposal was submitted, the Proponent continuously held the requisite number of the Company's securities for at least one year. For this purpose, the SEC Staff considers the date that a proposal was submitted to be the date the proposal was postmarked or transmitted electronically, which, in the case of the Proposal, was July 30, 2018.

- If the Proponent has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting ownership of the Company's securities as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent has continuously held the required number of shares for the one-year period.

In order to help stockholders comply with the requirement to prove ownership by providing a written statement from the "record" holder of the shares, the SEC's Division of Corporation Finance published Staff Legal Bulletin 14F in October 2011 and Staff Legal Bulletin 14G in October 2012. We have included a copy of Staff Legal Bulletin 14F and Staff Legal Bulletin 14G with this letter for your reference. In Staff Legal Bulletin 14F and Staff Legal Bulletin 14G, the SEC Staff clarified that, for purposes of SEC Rule 14a-8(b)(2)(i), only brokers or banks that are DTC participants or affiliates of DTC participants will be viewed as "record" holders of securities that are deposited at DTC. An entity is an "affiliate" of a DTC participant if such entity directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the DTC participant. As a result, you will need to obtain the required written statement from the DTC participant or an affiliate of the DTC participant through which the Proponent's shares are held. For the purposes of determining if a broker or bank is a DTC participant, you may check the list posted at:
http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx. If the DTC

participant or an affiliate of the DTC participant knows the holdings of the Proponent's broker or bank, but does not know the Proponent's individual holdings, you may satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that, at the time the Proposal was submitted, the required amount of securities was held continuously by the Proponent for at least one year – with one statement from the broker or bank confirming the Proponent's ownership, and the other statement from the DTC participant or an affiliate of the DTC participant confirming the broker's or bank's ownership.

In Staff Legal Bulletin 14G, the SEC Staff also clarified that, in situations where a stockholder holds securities through a securities intermediary that is not a broker or bank, a stockholder can satisfy Rule 14a-8's documentation requirement by submitting a proof of ownership letter from that securities intermediary. If the securities intermediary is not a DTC participant or an affiliate of a DTC participant, then the stockholder will also need to obtain a proof of ownership letter from the DTC participant or an affiliate of a DTC participant that can verify the holdings of the securities intermediary.

In order for the Proponent to be eligible as a proponent of this Proposal, Rule 14a-8(f) requires that your response to this letter, correcting the procedural deficiency described in this letter, be postmarked or transmitted electronically to the Company no later than 14 calendar days from the date you receive this letter. Please address any response by e-mail to Kelsey Chin of the Company at kelsey.chin@wba.com. Written correspondence should be sent to:

Corporate Secretary
Attn: Kelsey Chin
Walgreens Boots Alliance, Inc.
108 Wilmot Road
Deerfield, Illinois 60015
PH: (847) 914-2500
FX: (847) 914-3652

Once the Company receives your response, it will be in a position to determine whether the Proposal is eligible for inclusion in the proxy materials for the 2019 Annual Meeting. The Company reserves the right to submit a no-action request to the Staff of the SEC, as appropriate, with respect to this Proposal.

If you have any questions with respect to the foregoing, please do not hesitate to contact me at (202) 887-1585 or via email at slesmes@mofo.com.

Sincerely,

Scott Lesmes
of Morrison & Foerster LLP

Enclosures: Rule 14a-8
Staff Legal Bulletin 14F
Staff Legal Bulletin 14G

cc: Mark L. Dosier, Director, Securities Law, Walgreens Boots Alliance, Inc.
Kelsey Chin, Director, Tax and Capital Markets - Legal, Walgreens Boots Alliance, Inc.

Rule 14a-8 –– Proposals of Security Holders

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) **Question 1: What is a proposal?**

A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) **Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?**

(1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D, Schedule 13G, Form 3, Form 4 and/or Form 5, or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) Question 3: How many proposals may I submit?

Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) Question 4: How long can my proposal be?

The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) Question 5: What is the deadline for submitting a proposal?

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q, or in shareholder reports of investment companies under Rule 270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(**f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?**

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under Rule 14a-8 and provide you with a copy under Question 10 below, Rule 14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded?

Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) Question 8: Must I appear personally at the shareholders' meeting to present the proposal?

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds it shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?

(1) *Improper under state law*: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law*: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law could result in a violation of any state or federal law.

(3) *Violation of proxy rules*: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest*: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance*: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earning sand gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority*: If the company would lack the power or authority to implement the proposal;

(7) *Management functions*: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Relates to election*: If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal*: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting.

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented*: If the company has already substantially implemented the proposal;

Note to paragraph (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K or any successor to Item 402 (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by Rule 240.14a-21(b) of this chapter a single year (i.e., one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by rule 240.14a-21(b) of this chapter.

(11) *Duplication*: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions*: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends*: If the proposal relates to specific amounts of cash or stock dividends.

(j) Question 10: What procedures must the company follow if it intends to exclude my proposal?

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) Question 11: May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) Question 12: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company’s proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) Question 13: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, Rule 14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under Rule 14a-6.

Division of Corporation Finance
Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14F (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 18, 2011

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://tts.sec.gov/cgi-bin/corp_fin_interpretive.

A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D and SLB No. 14E.

B. The types of brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. Eligibility to submit a proposal under Rule 14a-8

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.[1]

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.[2] Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.[3]

2. The role of the Depository Trust Company

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.[4] The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.[5]

3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.[6] Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements.

Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, *Hain Celestial* has required companies to accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8[7] and in light of the Commission's discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants' positions in a company's securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. As a result, we will no longer follow *Hain Celestial*.

We believe that taking this approach as to who constitutes a "record" holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,[8] under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the "record" holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

How can a shareholder determine whether his or her broker or bank is a DTC participant?

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx.

What if a shareholder's broker or bank is not on DTC's participant list?

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder's broker or bank.[9]

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the

other from the DTC participant confirming the broker or bank's ownership.

How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC participant?

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

C. Common errors shareholders can avoid when submitting proof of ownership to companies

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added).[10] We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

"As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."[11]

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

D. The submission of revised proposals

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company's deadline for receiving proposals. Must the company accept the revisions?

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8(c).[12] If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company's deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.[13]

2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,[14] it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder "fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder's] proposals from its proxy materials for any meeting held in the following two calendar years." With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.[15]

E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company's no-action request.[16]

F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission's website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

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[1] *See* Rule 14a-8(b).

[2] For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as

compared to “beneficial owner” and “beneficial ownership” in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. *See* Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 (“The term ‘beneficial owner’ when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.”).

[3] If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

[4] DTC holds the deposited securities in “fungible bulk,” meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. *See* Proxy Mechanics Concept Release, at Section II.B.2.a.

[5] *See* Exchange Act Rule 17Ad-8.

[6] *See* Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] (“Net Capital Rule Release”), at Section II.C.

[7] *See KBR Inc. v. Chevedden*, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); *Apache Corp. v. Chevedden,* 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the company’s non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

[8] *Techne Corp.* (Sept. 20, 1988).

[9] In addition, if the shareholder’s broker is an introducing broker, the shareholder’s account statements should include the clearing broker’s identity and telephone number. *See* Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

[10] For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company’s receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

[11] This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

[12] As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

[13] This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, *additional* proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow *Layne Christensen Co.* (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

[14] *See, e.g.*, Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

[15] Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

[16] Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

Division of Corporation Finance
Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14G (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 16, 2012

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://tts.sec.gov/cgi-bin/corp_fin_interpretive.

A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- the parties that can provide proof of ownership under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- the manner in which companies should notify proponents of a failure to provide proof of ownership for the one-year period required under Rule 14a-8(b)(1); and
- the use of website references in proposals and supporting statements.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D, SLB No. 14E and SLB No. 14F.

B. Parties that can provide proof of ownership under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. Sufficiency of proof of ownership letters provided by affiliates of DTC participants for purposes of Rule 14a-8(b)(2)(i)

To be eligible to submit a proposal under Rule 14a-8, a shareholder must, among other things, provide documentation evidencing that the shareholder has continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the

proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. If the shareholder is a beneficial owner of the securities, which means that the securities are held in book-entry form through a securities intermediary, Rule 14a-8(b)(2)(i) provides that this documentation can be in the form of a "written statement from the 'record' holder of your securities (usually a broker or bank)…."

In SLB No. 14F, the Division described its view that only securities intermediaries that are participants in the Depository Trust Company ("DTC") should be viewed as "record" holders of securities that are deposited at DTC for purposes of Rule 14a-8(b)(2)(i). Therefore, a beneficial owner must obtain a proof of ownership letter from the DTC participant through which its securities are held at DTC in order to satisfy the proof of ownership requirements in Rule 14a-8.

During the most recent proxy season, some companies questioned the sufficiency of proof of ownership letters from entities that were not themselves DTC participants, but were affiliates of DTC participants.[1] By virtue of the affiliate relationship, we believe that a securities intermediary holding shares through its affiliated DTC participant should be in a position to verify its customers' ownership of securities. Accordingly, we are of the view that, for purposes of Rule 14a-8(b)(2)(i), a proof of ownership letter from an affiliate of a DTC participant satisfies the requirement to provide a proof of ownership letter from a DTC participant.

2. Adequacy of proof of ownership letters from securities intermediaries that are not brokers or banks

We understand that there are circumstances in which securities intermediaries that are not brokers or banks maintain securities accounts in the ordinary course of their business. A shareholder who holds securities through a securities intermediary that is not a broker or bank can satisfy Rule 14a-8's documentation requirement by submitting a proof of ownership letter from that securities intermediary.[2] If the securities intermediary is not a DTC participant or an affiliate of a DTC participant, then the shareholder will also need to obtain a proof of ownership letter from the DTC participant or an affiliate of a DTC participant that can verify the holdings of the securities intermediary.

C. Manner in which companies should notify proponents of a failure to provide proof of ownership for the one-year period required under Rule 14a-8(b)(1)

As discussed in Section C of SLB No. 14F, a common error in proof of ownership letters is that they do not verify a proponent's beneficial ownership for the entire one-year period preceding and including the date the proposal was submitted, as required by Rule 14a-8(b)(1). In some cases, the letter speaks as of a date *before* the date the proposal was submitted, thereby leaving a gap between the date of verification and the date the proposal was submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the proponent's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Under Rule 14a-8(f), if a proponent fails to follow one of the eligibility or procedural requirements of the rule, a company may exclude the proposal only if it notifies the proponent of the defect and the proponent fails to correct it. In SLB No. 14 and SLB No. 14B, we explained that companies should provide adequate detail about what a proponent must do to remedy all eligibility or procedural defects.

We are concerned that companies' notices of defect are not adequately describing the defects or explaining what a proponent must do to remedy defects in proof of ownership letters. For example, some companies' notices of defect make no mention of the gap in the period of ownership covered by the proponent's proof of ownership letter or other specific deficiencies that the company has identified. We do not believe that such notices of defect serve the purpose of Rule 14a-8(f).

Accordingly, going forward, we will not concur in the exclusion of a proposal under Rules 14a-8(b) and 14a-8(f) on the basis that a proponent's proof of ownership does not cover the one-year period preceding and including the date the proposal is submitted unless the company provides a notice of defect that identifies the specific date on which the proposal was submitted and explains that the proponent must obtain a new proof of ownership letter verifying continuous ownership of the requisite amount of securities for the one-year period preceding and including such date to cure the defect. We view the proposal's date of submission as the date the proposal is postmarked or transmitted electronically. Identifying in the notice of defect the specific date on which the proposal was submitted will help a proponent better understand how to remedy the defects described above and will be particularly helpful in those instances in which it may be difficult for a proponent to determine the date of submission, such as when the proposal is not postmarked on the same day it is placed in the mail. In addition, companies should include copies of the postmark or evidence of electronic transmission with their no-action requests.

D. Use of website addresses in proposals and supporting statements

Recently, a number of proponents have included in their proposals or in their supporting statements the addresses to websites that provide more information about their proposals. In some cases, companies have sought to exclude either the website address or the entire proposal due to the reference to the website address.

In SLB No. 14, we explained that a reference to a website address in a proposal does not raise the concerns addressed by the 500-word limitation in Rule 14a-8(d). We continue to be of this view and, accordingly, we will continue to count a website address as one word for purposes of Rule 14a-8(d). To the extent that the company seeks the exclusion of a website reference in a proposal, but not the proposal itself, we will continue to follow the guidance stated in SLB No. 14, which provides that references to website addresses in proposals or supporting statements could be subject to exclusion under Rule 14a-8(i)(3) if the information contained on the website is materially false or misleading, irrelevant to the subject matter of the proposal or otherwise in contravention of the proxy rules, including Rule 14a-9.[3]

In light of the growing interest in including references to website addresses in proposals and supporting statements, we are providing additional guidance on the appropriate use of website addresses in proposals and supporting statements.[4]

1. References to website addresses in a proposal or supporting statement and Rule 14a-8(i)(3)

References to websites in a proposal or supporting statement may raise concerns under Rule 14a-8(i)(3). In SLB No. 14B, we stated that the exclusion of a proposal under Rule 14a-8(i)(3) as vague and indefinite may be appropriate if neither the shareholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal

requires. In evaluating whether a proposal may be excluded on this basis, we consider only the information contained in the proposal and supporting statement and determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks.

If a proposal or supporting statement refers to a website that provides information necessary for shareholders and the company to understand with reasonable certainty exactly what actions or measures the proposal requires, and such information is not also contained in the proposal or in the supporting statement, then we believe the proposal would raise concerns under Rule 14a-9 and would be subject to exclusion under Rule 14a-8(i)(3) as vague and indefinite. By contrast, if shareholders and the company can understand with reasonable certainty exactly what actions or measures the proposal requires without reviewing the information provided on the website, then we believe that the proposal would not be subject to exclusion under Rule 14a-8(i)(3) on the basis of the reference to the website address. In this case, the information on the website only supplements the information contained in the proposal and in the supporting statement.

2. Providing the company with the materials that will be published on the referenced website

We recognize that if a proposal references a website that is not operational at the time the proposal is submitted, it will be impossible for a company or the staff to evaluate whether the website reference may be excluded. In our view, a reference to a non-operational website in a proposal or supporting statement could be excluded under Rule 14a-8(i)(3) as irrelevant to the subject matter of a proposal. We understand, however, that a proponent may wish to include a reference to a website containing information related to the proposal but wait to activate the website until it becomes clear that the proposal will be included in the company's proxy materials. Therefore, we will not concur that a reference to a website may be excluded as irrelevant under Rule 14a-8(i)(3) on the basis that it is not yet operational if the proponent, at the time the proposal is submitted, provides the company with the materials that are intended for publication on the website and a representation that the website will become operational at, or prior to, the time the company files its definitive proxy materials.

3. Potential issues that may arise if the content of a referenced website changes after the proposal is submitted

To the extent the information on a website changes after submission of a proposal and the company believes the revised information renders the website reference excludable under Rule 14a-8, a company seeking our concurrence that the website reference may be excluded must submit a letter presenting its reasons for doing so. While Rule 14a-8(j) requires a company to submit its reasons for exclusion with the Commission no later than 80 calendar days before it files its definitive proxy materials, we may concur that the changes to the referenced website constitute "good cause" for the company to file its reasons for excluding the website reference after the 80-day deadline and grant the company's request that the 80-day requirement be waived.

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[1] An entity is an "affiliate" of a DTC participant if such entity directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the DTC participant.

[2] Rule 14a-8(b)(2)(i) itself acknowledges that the record holder is “usually,” but not always, a broker or bank.

[3] Rule 14a-9 prohibits statements in proxy materials which, at the time and in the light of the circumstances under which they are made, are false or misleading with respect to any material fact, or which omit to state any material fact necessary in order to make the statements not false or misleading.

[4] A website that provides more information about a shareholder proposal may constitute a proxy solicitation under the proxy rules. Accordingly, we remind shareholders who elect to include website addresses in their proposals to comply with all applicable rules regarding proxy solicitations.

From: ***
Sent: Sunday, August 12, 2018 7:49 PM
To: Chin, Kelsey <kelsey.chin@wba.com>
Subject: Rule 14a-8 Proposal (WBA) blb

Dear Ms Chin,
Please see the attached broker letter.
Sincerely,
John Chevedden
cc: Myra K. Young

Ameritrade

WBA

Post-it® Fax Note 7671	Date 8-12-18	# of pages ▶
To Kelsey Chin	From John Chevedden	
Co./Dept.	Co.	
Phone #	Phone # ***	
Fax # 847-914-3652	Fax #	

07/31/2018

Myra Young
***

Re: Your TD Ameritrade Account Ending in ***

To whom it may concern,

Pursuant to your request, this letter is to confirm that as of the date of this letter, Myra K. Young held, and had held continuously for at least 13 months, 50 shares of Walgreens Boots Alliance Inc (WBA) common stock in her account ending in *** at TD Ameritrade. The DTC clearinghouse number for TD Ameritrade is 0188.

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

Nathan Maxwell
Resource Specialist
TD Ameritrade