



211 Main Street  
San Francisco, CA 94105  
January 6, 2021

**Rule 14a-8(b)**  
Rule 14a-8(f)(1)

**VIA EMAIL** (*shareholderproposals@sec.gov*)

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

Re: ***The Charles Schwab Corporation – Omission of Stockholder Proposal  
Submitted by As You Sow***

Ladies and Gentlemen:

The Charles Schwab Corporation, a Delaware corporation (the “Company”), is filing this letter under Rule 14a-8(j) of the Securities Exchange Act of 1934, as amended, to notify the Securities and Exchange Commission (the “Commission”) of the Company’s intention to exclude a stockholder proposal (the “Proposal”) submitted by As You Sow (the “Representative”) on behalf of Thomas Van Dyck (the “Proponent”) from the Company’s proxy statement and form of proxy (together, the “2021 Proxy Materials”) to be distributed to the Company’s stockholders in connection with its 2021 annual meeting of stockholders (the “2021 Annual Meeting”). The Company respectfully requests confirmation that the staff of the Division of Corporation Finance (the “Staff”) will not recommend to the Commission that enforcement action be taken if the Company excludes the Proposal from the 2021 Proxy Materials. The Company anticipates that the 2021 Proxy Materials will be finalized for typesetting and printing on or about March 17, 2021 and ready for filing with the Commission on or about April 2, 2021. We respectfully request that the Staff, to the extent possible, advise the Company with respect to the Proposal consistent with this timing.

Pursuant to Staff Legal Bulletin No. 14D (CF), Shareholder Proposals (November 7, 2008), question C, the Company has submitted this letter and related correspondence from the Proponent to the Commission via email to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). Also, in accordance with Rule 14a-8(j), the Company is submitting this letter not less than 80 days before the Company intends to file the 2021 Proxy Materials with the Commission. In accordance with

Rule 14a-8(j)(1), a copy of this submission is also being sent to the Proponent at the same time it is being sent to the Commission, informing the Proponent of the Company's intention to exclude the Proposal from the 2021 Proxy Materials.

### **THE PROPOSAL**

The Proposal sets forth the following resolution to be voted on by stockholders at the 2021 Annual Meeting:

**Resolved:** Shareholders request that Schwab publish a report, at reasonable expense and excluding proprietary information, disclosing the Company's plan, if any, to promote racial justice.

A copy of the Proponent's submission, including the Proposal, supporting statement, and related materials, is attached hereto as Exhibit A.

### **BASES FOR EXCLUSION**

The Company hereby respectfully requests that the Staff concur in its view that the Proposal may properly be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) because the Representative and the Proponent failed to provide the requisite proof of eligibility in response to the Company's timely and proper request for that information.

### **BACKGROUND**

The Company received the Proposal on December 1, 2020. In addition to the Proposal and supporting statement, the submission included a cover letter from the Representative to the Company and a letter from the Proponent authorizing the Representative to act on its behalf. The Proponent's authorization letter stated that the Proponent had continuously owned over \$2,000 worth of Company stock for more than one year, but the submission provided no further evidence to that effect. *See* Exhibit A. In order to confirm the Proponent's eligibility to submit the Proposal, the Company reviewed its stock records, which did not indicate that the Proponent was a record holder of Company stock.

Accordingly, the Company sought verification of stock ownership from the Proponent. Specifically, the Company sent to the Representative a letter, dated December 3, 2020, identifying the deficiency, notifying the Representative of the requirements of Rule 14a-8 and explaining how the Representative, on behalf of the Proponent, could cure the procedural deficiency (the "Deficiency Notice"). The Deficiency Notice, attached hereto as Exhibit B, provided detailed information regarding the "record" holder requirements and attached a copy of Rule 14a-8. Specifically, the Deficiency Notice stated:

- the ownership requirements of Rule 14a-8(b);
- that the Company has been unable to verify through its stock records that the Proponent has been a stockholder of the Company in the amount and for the period of time required by Rule 14a-8(b);
- the type of statement or documentation necessary to demonstrate beneficial ownership under Rule 14a-8(b) through a written statement from the record holder (usually a broker or a bank) verifying that, as of December 1, 2020, the Proponent continuously held the requisite amount of Company stock for at least one year, or by submitting a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5 or amendment thereto or updated form and the Proponent's written confirmation of continuous holdings for the requisite period; and
- that any response had to be postmarked or transmitted electronically no later than 14 calendar days from the date the Representative received the Deficiency Notice.

The Company sent the Deficiency Notice via email and overnight delivery on December 3, 2020, which was within 14 calendar days of the Company's receipt of the Proposal. Overnight delivery service records confirm delivery of a physical copy of the Deficiency Notice to the Representative at 1:22 p.m. Pacific Time on December 4, 2020. *See Exhibit B.*

The Representative responded via email on December 7, 2020 that it would respond further within 14 days of receipt of the Deficiency Notice, or by December 17, 2020, but the Company received no such response. *See Exhibit C.* On December 21, 2020, after the 14 calendar-day time period provided for in Rule 14a-8(1) had expired, the Company sent the Representative a courtesy email (the "Courtesy Email") informing the Representative that the Company had not received the requisite proof of stock ownership eligibility for the Proponent and that the Company did not plan to include the Proposal in the 2021 Proxy Materials. *See Exhibit C.* In response, on December 22, 2020, the Representative sent the Company an email that acknowledged receipt of the Courtesy Email but that provided neither proof of stock ownership nor any indication that such proof would be forthcoming. *See Exhibit C.* In response, on December 22, 2020, the Company sent the Representative via email a request for confirmation by December 29, 2020 that the Representative is withdrawing the Proposal for failure to provide proof of stock ownership. *See Exhibit C.* As of the date hereof, the Company has not received such confirmation or further response from the Representative. As a result, the Company is now submitting this letter to the Commission.

## ANALYSIS

### ***The Proposal May Be Excluded Under Rule 14a-8(b) and Rule 14a-8(f)(1) Because the Proponent Failed to Timely Establish Its Eligibility to Submit the Proposal Despite Proper Notice***

Rule 14a-8(b)(1) provides that, to be eligible to submit a proposal, a stockholder must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to vote on the proposal at the company's meeting of stockholders for at least one year by the date the stockholder submits the proposal. Rule 14a-8(b)(2) provides that, if a stockholder does not appear in the company's records as a registered holder of the requisite number or value of the company's securities, the stockholder must prove its ownership by providing a written statement from the record holder of the securities or by submitting a copy of a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 verifying that stockholder's ownership. The rule requires a stockholder to demonstrate his or her eligibility to submit a proposal for inclusion in a company's proxy materials as of the date the stockholder submits the proposal. *See Hewlett-Packard Co.* (July 28, 2010) (concurring with the exclusion of a stockholder proposal where the proposal was submitted June 1, 2010 and the record holder's one-year verification was as of May 28, 2010, one business day prior to the submission date).

Rule 14a-8(f)(1) permits a company to exclude a stockholder proposal from the company's proxy materials if the proponent fails to comply with the eligibility or procedural requirements under Rule 14a-8, provided that the company has notified the proponent of any eligibility or procedural deficiencies within 14 days of receiving the proposal and the proponent has failed to correct such deficiencies within 14 days of receipt of such notice.

The Staff has strictly applied the proof of beneficial ownership requirement in its no-action responses. *See FedEx Corp.* (June 5, 2019) (concurring with the exclusion of a stockholder proposal under Rule 14a-8(b) and Rule 14a-8(f) and noting that "the proponent appears to have failed to supply, within 14 days of receipt of the Company's request, documentary support sufficiently evidencing that he satisfied the minimum ownership requirement for the one-year period as required by rule 14a-8(b)"). *See also ITC Holdings Corp.* (Feb. 9, 2016); *General Electric Company* (Jan. 29, 2016); *Medidata Solutions, Inc.* (Dec. 12, 2014); *PepsiCo, Inc.* (Jan. 11, 2013); *Cisco Systems, Inc.* (July 11, 2011); *Amazon.com, Inc.* (Mar. 29, 2011); and *Qwest Communications International, Inc.* (Feb. 29, 2008).

The Company was not provided with timely evidence demonstrating that the Proponent 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 2021 Annual Meeting for at least one year by December 1,

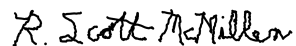
2020. In fact, no documentary support whatsoever demonstrating the Proponent's eligibility to submit the Proposal has been received by the Company.

### CONCLUSION

Based on the foregoing, the Company believes that the Proposal may be excluded from the 2021 Proxy Materials pursuant to Rules 14a-8(b) and 14a-8(f)(1), and respectfully requests that the Staff indicate that it will not recommend enforcement action to the Commission if the Company excludes the Proposal from its 2021 Proxy Materials.

If you have any questions regarding this request or need additional information, please do not hesitate to contact me at (415) 667-1602. Thank you for your consideration.

Very truly yours,



R. Scott McMillen  
Vice President and Associate General Counsel  
Scott.McMillen@Schwab.com

#### Attachments

cc: Thomas Van Dyck, c/o As You Sow (shareholderengagement@asyousow.org)  
Olivia Knight, Racial Justice Initiative Coordinator, As You Sow (oknight@asyousow.org)  
Gail Follansbee, Shareholder Relations Coordinator, As You Sow (gail@asyousow.org)

**Exhibit A**  
**Proponent's Submission**



**VIA COURIER & EMAIL**

December 1, 2020

Peter J. Morgan III  
EVP, General Counsel and Corporate Secretary  
The Charles Schwab Corporation  
211 Main Street,  
San Francisco, CA 94105  
[Peter.Morgan@schwab.com](mailto:Peter.Morgan@schwab.com)

Dear Mr. Morgan,

*As You Sow* is filing a shareholder proposal on behalf of Thomas Van Dyck (“Proponent”), a shareholder of The Charles Schwab Corporation for inclusion in Charles Schwab Corporation’s 2021 proxy statement and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on its behalf is enclosed. A representative of the Proponent will attend the stockholder meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent’s concerns.

To schedule a dialogue, please contact Olivia Knight, Racial Justice Initiative Coordinator, at [oknight@asyousow.org](mailto:oknight@asyousow.org). Please send all correspondence **with a copy to** [shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org).

Sincerely,

Andrew Behar  
CEO

Enclosures

- Shareholder Proposal
- Shareholder Authorization

cc: [investor.relations@schwab.com](mailto:investor.relations@schwab.com)

**Whereas:** In the wake of the George Floyd murder by police officers on May 25, 2020 a majority of Russell 1000 corporations made public statements expressing their plans to address racial justice, thereby taking the first step to becoming antiracist organizations. Antiracism is the practice of identifying, challenging, and changing the values, structures, and behaviors perpetuating systemic racism.<sup>1</sup> While Charles Schwab released statement, it did not specifically address racial injustices.

Numerous studies cite material corporate benefits associated with adopting corporate policies promoting racial justice:

- A McKinsey study shows companies with the strongest racial and ethnic diversity are 35% more likely to outperform their industry medians<sup>2</sup>
- Companies with the most ethnically/culturally diverse boards worldwide are 43% more likely to experience higher profits<sup>3</sup>
- For every 10% increase in racial and ethnic diversity among senior executives, EBIT rises 0.8%<sup>4</sup>

However, inequities in the workplace continue:

- People of Color comprise 33% of entry level positions, but only 13% of the C-suite<sup>5</sup>
- Among companies in the Russell 3000, Black individuals accounted for only 4.1% of board members versus 13.4% of the U.S. population<sup>6</sup>
- “Failure to adopt inclusion practices translates into a loss of customers and reduces profitability”<sup>7</sup>

Schwab can play a critical role in ending systemic racism by promoting racial justice.

The need for action is underscored by Schwab’s 28% score on a recent Racial Justice Scorecard. This score is significantly below peers Bank of America and U.S Bancorp which scored 54% and 68%. Schwab’s low score is due to a weak initial statement, lack of publicly accessible diversity and inclusion targets and lack of disclosed data concerning hiring, retention, and promotion rates of people of color within the Company. Given heightened awareness around racism, failing to act and disclose policies and quantifiable data raises the material risk of revenue loss and reduced brand value.

**Resolved:** Shareholders request that Schwab publish a report, at reasonable expense and excluding proprietary information, disclosing the Company's plan, if any, to promote racial justice.

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<sup>1</sup> Ontario Anti-Racism Secretariat, "Anti-Racism Defined", 2020 Retrieved from Alberta Civil Liberties Research Center: <http://www.aclrc.com/antiracism-defined>

<sup>2</sup> McKinsey & Company, "Delivering through Diversity", January 2018 [https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity\\_full-report.ashx](https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx)

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> McKinsey & Company, "Women in the Workplace 2018", <https://womenintheworkplace.com/>

<sup>6</sup> Cydney Posner, "Will companies accede to calls for actions to improve racial and ethnic diversity in hiring and promotion?", July 2020 <https://cooleypubco.com/2020/07/15/calls-for-actions-racial-ethnic-diversity/>

<sup>7</sup> Neesha-ann Longdon, Dimitri Henry, Caitlin Harris, "Diversity And Inclusion As A Social Imperative", August 2020 <https://www.spglobal.com/ratings/en/research/articles/200803-environmental-social-and-governance-diversity-and-inclusion-as-a-social-imperative-11573860>



**Supporting statement:** Investors seek quantitative, comparable data to understand if and how the Company is promoting a commitment to Racial Justice. Proponents suggest the report include:

- Potential policies the company could adopt to promote Racial Justice in its corporate workplaces and operations
- Detailed quantitative information on diversity and inclusion, including recruitment, hiring, and retention policies and outcomes

December 1, 2020

Andrew Behar  
CEO  
As You Sow  
2150 Kittredge St., Suite 450  
Berkeley, CA 94704

**Re: Authorization to File Shareholder Resolution**

Dear Mr. Behar,

The undersigned ("Stockholder") authorizes *As You Sow* to file or co-file a shareholder resolution on Stockholder's behalf with the named Company for inclusion in the Company's 2021 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to the below described subject.

Stockholder: Thomas van Dyck

Company: The Charles Schwab Corporation

Annual Meeting / Proxy Statement Year: 2021

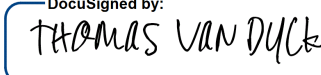
Subject: Disclosure on plans and policies aligned with achieving racial equality as informed by *As You Sow* scorecard.

The Stockholder has continuously owned over \$2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2021.

The Stockholder gives *As You Sow* the authority to address, on the Stockholder's behalf, any and all aspects of the shareholder resolution, including drafting and editing the proposal, representing Stockholder in engagements with the Company, entering into any agreement with the Company, and designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name in relation to the resolution.

The Stockholder further authorizes *As You Sow* to send a letter of support of the resolution on Stockholder's behalf.

Sincerely,

DocuSigned by:  
  
0EDEF302D9546449

Name: THOMAS VAN DYCK

Title: Shareholder

**Exhibit B**  
**Deficiency Notice and Evidence of Delivery**

**From:** [McMillen, Scott](#)  
**To:** [oknight@asyousow.org](mailto:oknight@asyousow.org)  
**Cc:** [Gail@asyousow.org](mailto:Gail@asyousow.org); [shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org)  
**Subject:** Notice of Deficiency - Stockholder Proposal  
**Date:** Thursday, December 3, 2020 12:33:00 PM  
**Attachments:** [Notice of Deficiency Stockholder Proposal.pdf](#)

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Dear Mr. Van Dyck and Ms. Knight, please see the attached notice of deficiency regarding the stockholder proposal.

Scott McMillen  
Vice President and Associate General Counsel  
Charles Schwab & Co., Inc.  
E-mail: [Scott.McMillen@Schwab.com](mailto:Scott.McMillen@Schwab.com)  
Tel. (415) 667-1602

WARNING: All e-mail sent to or from the Charles Schwab corporate e-mail system is subject to archiving, monitoring and/or review by Schwab personnel.

**THE CHARLES SCHWAB CORPORATION**

211 Main Street, San Francisco, California 94105

December 3, 2020

**VIA EMAIL OKNIGHT@ASYOUSOW.ORG AND OVERNIGHT MAIL**

Thomas Van Dyck  
c/o As You Sow  
2150 Kittredge St. Suite 450  
Berkeley, CA 94704

Olivia Knight  
As You Sow  
2150 Kittredge St. Suite 450  
Berkeley, CA 94704

**Re: Shareholder Proposal**

Dear Mr. Van Dyck and Ms. Knight:

The Charles Schwab Corporation (the “Company”) has received your letter dated as of December 1, 2020, purporting to submit a proposal under Rule 14a-8 of the proxy rules of the Securities and Exchange Commission (SEC) on behalf of Mr. Van Dyck. In accordance with that rule, we are notifying you of certain deficiencies we have identified in your submission that would preclude us from considering them for inclusion in our proxy statement for the Company’s 2021 annual meeting of stockholders.

The Company is unable to verify through its records that you have been a stockholder of the Company in the amount and for the period of time required by Rule 14a-8(b) and therefore is unable to determine your eligibility to submit a proposal for consideration at the 2021 annual meeting of stockholders.

Accordingly, we request that you provide the written information required by Rule 14a-8(b)(2) establishing ownership eligibility. This rule states that, 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 *for at least one year* by the date on which you submitted the proposal (December 1, 2020). You must continue to hold those securities through the date of the annual meeting. There are two ways to demonstrate this under the SEC’s rules: You may submit to us either –

- A written statement from the record holder of the 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.

- or -

Mr. Thomas Van Dyck  
Ms. Olivia Knight  
December 3, 2020  
Page 2

- A copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5 or amendments to those documents or updated forms, reflecting your ownership of shares as of or before the date on which the one-year eligibility period began; your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement.

We have included for your reference a copy of Rule 14a-8 and direct your attention to the answer to Question 2, which gives detail on each of these methods.

In accordance with Rule 14a-8(f)(1), we inform you that your response to this letter must be postmarked or transmitted electronically to us no later than 14 days from the date you receive this letter. The Company has not made a determination whether your proposed submission may be excluded under Rule 14a-8(i) and intends to undertake such examination only upon receipt of a properly submitted proposal. If you have any questions regarding this letter, please direct them to my attention at the address set forth above or by telephone at (415) 667-1602.

Very truly yours,

*R. Scott McMillen*

R. Scott McMillen  
Vice President and Associate General Counsel

Enclosure

cc: Gail Follansbee ([Gail@asyousow.org](mailto:Gail@asyousow.org)), [shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org)

## **Rule 14a-8. Shareholder proposals.**

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 (§ 240.13d-101), Schedule 13G (§ 240.13d-102), Form 3 (§ 249.103 of this chapter), Form 4 (§ 249.104 of this chapter) and/or Form 5 (§ 249.105 of this chapter), 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 (§ 249.308a of this chapter), or in shareholder reports of investment companies under § 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 mail 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 mail 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 § 240.14a-8 and provide you with a copy under Question 10 below, § 240.14a-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 its 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 would 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 § 240.14a-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 earnings and 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) Director elections: 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;

(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, § 240.14a-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 mails 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 § 240.14a-6.

**From:** UPS Quantum View <[pkginfo@ups.com](mailto:pkginfo@ups.com)>  
**Sent:** Friday, December 4, 2020 1:30 PM  
**To:** Leonhardt, Patti <[Patti.Leonhardt@Schwab.com](mailto:Patti.Leonhardt@Schwab.com)>  
**Subject:** UPS Delivery Notification, Tracking Number 1Z20408V0196781281



**Hello, your package has been delivered.**

**Delivery Date:** Friday, 12/04/2020  
**Delivery Time:** 01:22 PM  
**Left At:** OFFICE  
**Signed by:** THRALL

## **CHARLES SCHWAB**

<b>Tracking Number:</b>	<a href="https://www.ups.com/track/1Z20408V0196781281">1Z20408V0196781281</a>
<b>Ship To:</b>	AS YOU SOW 2150 KITTREDGE ST. SUITE 450 BERKELEY, CA 947041697 US
<b>Number of Packages:</b>	1
<b>UPS Service:</b>	UPS Next Day Air®
<b>Package Weight:</b>	0.5 LBS
<b>Reference Number:</b>	W46



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**Exhibit C**  
**Additional Correspondence Regarding Deficiency**

**From:** [Shareholder Engagement](#)  
**To:** [McMillen, Scott](#); [Olivia Knight](#)  
**Cc:** [Gail Follansbee](#)  
**Subject:** Re: Notice of Deficiency - Stockholder Proposal  
**Date:** Monday, December 7, 2020 9:50:23 AM

---

Hello Mr. McMilen,

Confirming receipt of this Deficiency notice. We will respond within 14 days of receipt of this notice, so by 12/17/20.

Best,  
Gail

**Gail Follansbee** (she/her)

**Coordinator, Shareholder Relations**

**As You Sow**

2150 Kittredge St., Suite 450

Berkeley, CA 94704

(510) 735-8139 (direct line) ~ (650) 868-9828 (cell)

[gail@asyousow.org](mailto:gail@asyousow.org) | [www.asyousow.org](http://www.asyousow.org)

---

**From:** "McMillen, Scott" <Scott.McMillen@schwab.com>  
**Date:** Thursday, December 3, 2020 at 12:34 PM  
**To:** Olivia Knight <OKnight@asyousow.org>  
**Cc:** Gail Follansbee <gail@asyousow.org>, Shareholder Engagement <shareholderengagement@asyousow.org>  
**Subject:** Notice of Deficiency - Stockholder Proposal

Dear Mr. Van Dyck and Ms. Knight, please see the attached notice of deficiency regarding the stockholder proposal.

Scott McMillen  
Vice President and Associate General Counsel  
Charles Schwab & Co., Inc.  
E-mail: [Scott.McMillen@Schwab.com](mailto:Scott.McMillen@Schwab.com)  
Tel. (415) 667-1602

WARNING: All e-mail sent to or from the Charles Schwab corporate e-mail system is subject to archiving, monitoring and/or review by Schwab personnel.

**From:** [McMillen, Scott](#)  
**To:** [oknight@asyousow.org](mailto:oknight@asyousow.org)  
**Cc:** [Gail@asyousow.org](mailto:Gail@asyousow.org); [shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org)  
**Subject:** Notice of Deficiency - Stockholder Proposal  
**Date:** Monday, December 21, 2020 12:25:00 PM  
**Attachments:** [Notice of Deficiency As You Sow.pdf](#)

---

Dear Mr. Van Dyck and Ms. Knight, please see the attached notice of deficiency regarding the stockholder proposal regarding failure to submit proof of stock ownership.

Scott McMillen  
Vice President and Associate General Counsel  
Charles Schwab & Co., Inc.  
E-mail: [Scott.McMillen@Schwab.com](mailto:Scott.McMillen@Schwab.com)  
Tel. (415) 667-1602

WARNING: All e-mail sent to or from the Charles Schwab corporate e-mail system is subject to archiving, monitoring and/or review by Schwab personnel.



**THE CHARLES SCHWAB CORPORATION**  
211 Main Street, San Francisco, California 94105

December 21, 2020

**VIA EMAIL OKNIGHT@ASYOUSOW.ORG**

Thomas Van Dyck  
c/o As You Sow  
2150 Kittredge St. Suite 450  
Berkeley, CA 94704

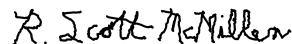
Olivia Knight  
As You Sow  
2150 Kittredge St. Suite 450  
Berkeley, CA 94704

**Re: As You Sow Shareholder Proposal**

Dear Mr. Van Dyck and Ms. Knight:

The Charles Schwab Corporation (the “Company”) received no written information required by Rule 14a-8(b)(2) establishing ownership eligibility for the submission of the As You Sow Shareholder Proposal in response to the Company’s notice sent to you on December 3, 2020. We therefore do not plan to include the proposal in the Company’s 2021 proxy statement. If you have any questions regarding this letter, please direct them to my attention.

Very truly yours,



R. Scott McMillen  
Vice President and Associate General Counsel  
[Scott.McMillen@Schwab.com](mailto:Scott.McMillen@Schwab.com)  
(415) 667-1602

Enclosure

cc: Gail Follansbee ([Gail@asyousow.org](mailto:Gail@asyousow.org)), [shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org)

**From:** [Olivia Knight](#)  
**To:** [McMillen, Scott](#)  
**Cc:** [Gail Follansbee](#); [Shareholder Engagement](#)  
**Subject:** RE: Notice of Deficiency - Stockholder Proposal  
**Date:** Tuesday, December 22, 2020 9:37:07 AM

---

Good morning,  
Thank you for alerting us.  
Best,  
Olivia

**Olivia E. Knight**

Racial Justice Initiative Coordinator

**As You Sow**

2150 Kittredge Street, Ste. 450 | Berkeley, CA 94704  
510.387.4919 (direct line)  
[oknight@asyousow.org](mailto:oknight@asyousow.org) | [www.asyousow.org](http://www.asyousow.org)

---

**From:** McMillen, Scott <Scott.McMillen@schwab.com>  
**Sent:** Monday, December 21, 2020 12:26 PM  
**To:** Olivia Knight <OKnight@asyousow.org>  
**Cc:** Gail Follansbee <gail@asyousow.org>; Shareholder Engagement <shareholderengagement@asyousow.org>  
**Subject:** Notice of Deficiency - Stockholder Proposal

Dear Mr. Van Dyck and Ms. Knight, please see the attached notice of deficiency regarding the stockholder proposal regarding failure to submit proof of stock ownership.

Scott McMillen  
Vice President and Associate General Counsel  
Charles Schwab & Co., Inc.  
E-mail: [Scott.McMillen@Schwab.com](mailto:Scott.McMillen@Schwab.com)  
Tel. (415) 667-1602

WARNING: All e-mail sent to or from the Charles Schwab corporate e-mail system is subject to archiving, monitoring and/or review by Schwab personnel.

**From:** [McMillen, Scott](#)  
**To:** [Olivia Knight](#)  
**Cc:** [Gail Follansbee](#); [Shareholder Engagement](#)  
**Subject:** RE: Notice of Deficiency - Stockholder Proposal  
**Date:** Tuesday, December 22, 2020 4:32:00 PM

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Olivia, please confirm that you are withdrawing your shareholder proposal for failure to provide proof of share ownership, so that we will not need to file a no-action letter with the SEC. We would appreciate your confirmation no later than a week from today, December 29, 2020.

Scott McMillen  
Vice President and Associate General Counsel  
Charles Schwab & Co., Inc.  
E-mail: [Scott.McMillen@Schwab.com](mailto:Scott.McMillen@Schwab.com)  
Tel. (415) 667-1602

WARNING: All e-mail sent to or from the Charles Schwab corporate e-mail system is subject to archiving, monitoring and/or review by Schwab personnel.

---

**From:** Olivia Knight <[OKnight@asyousow.org](mailto:OKnight@asyousow.org)>  
**Sent:** Tuesday, December 22, 2020 9:37 AM  
**To:** McMillen, Scott <[Scott.McMillen@schwab.com](mailto:Scott.McMillen@schwab.com)>  
**Cc:** Gail Follansbee <[gail@asyousow.org](mailto:gail@asyousow.org)>; Shareholder Engagement <[shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org)>  
**Subject:** RE: Notice of Deficiency - Stockholder Proposal

Good morning,  
Thank you for alerting us.  
Best,  
Olivia

**Olivia E. Knight**

Racial Justice Initiative Coordinator

**As You Sow**

2150 Kittredge Street, Ste. 450 | Berkeley, CA 94704

510.387.4919 (direct line)

[oknight@asyousow.org](mailto:oknight@asyousow.org) | [www.asyousow.org](http://www.asyousow.org)

---

**From:** McMillen, Scott <[Scott.McMillen@schwab.com](mailto:Scott.McMillen@schwab.com)>  
**Sent:** Monday, December 21, 2020 12:26 PM  
**To:** Olivia Knight <[OKnight@asyousow.org](mailto:OKnight@asyousow.org)>  
**Cc:** Gail Follansbee <[gail@asyousow.org](mailto:gail@asyousow.org)>; Shareholder Engagement <[shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org)>

**Subject:** Notice of Deficiency - Stockholder Proposal

Dear Mr. Van Dyck and Ms. Knight, please see the attached notice of deficiency regarding the stockholder proposal regarding failure to submit proof of stock ownership.

Scott McMillen  
Vice President and Associate General Counsel  
Charles Schwab & Co., Inc.  
E-mail: [Scott.McMillen@Schwab.com](mailto:Scott.McMillen@Schwab.com)  
Tel. (415) 667-1602

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