

Subject: Don't Eliminate My Rights as a Shareholder
Strike Proposed Section 844 of the Financial CHOICE Act

Dear [Senator or Representative],

I am writing in regards to a Section 844 of the Financial CHOICE Act that Congress is currently considering. Section 844 would effectively eliminate fundamental rights of investors to file shareholder proposals. I urge you to defend the rights of investors by opposing Section 844 or otherwise ensuring that it does not modify or limit the Securities and Exchange Commission's shareholder proposal rule, SEC rule 14a-8.

As an investor I believe shareholder proposals are a vitally important way for investors to communicate in a way that is beneficial for investors, companies' financial returns, our economy, our society, and the environment. Section 844 would fundamentally impair my rights as an investor. In particular, the legislation would interfere with the ability of my financial advisor to implement my investment goals, by eliminating the ability to engage with directors, managers and other shareholders through the shareholder proposal process.

Section 844 would effectively eliminate the ability of most shareholders to file proposals for the annual corporate ballot. This is a fundamental property right, especially for minority shareholders who need to make their voices heard, particularly when management is ignoring significant governance failures, environmental issues, or social risks. The proposed language would effectively shut me out, as the ability to file a shareholder proposal rule is changed from being a right common to all shareholders, to one only available to the wealthiest 1% of investors. It would also prevent my financial advisors and representatives from filing proposals on my behalf.

Such legislation would upset 70 years of SEC rulemaking and deliberations that have shaped this well-functioning corporate governance process. It is not so easy for a shareholder to file a proposal. For instance, the SEC's extensive rules already block proposals that would micromanage a company, as well as proposals promoting a personal grievance or issues that do not have significant corporate policy implications.

The ultimate test of any proposal support is the marketplace of ideas, as embodied by the corporate proxy ballot. If my ideas convince other investors to vote in favor of my suggested proposal, that is a perfect test of whether the idea merits continued attention and debate. Congress should not enact provisions making it harder to *resubmit* a proposal - the existing resubmission thresholds are working well.

The quality of ideas in shareholder proposals, and their ultimate contribution to value, does not correlate with the size of the stock positions held by proponents. Experience shows that in the absence of the right to file a shareholder proposal,

minority shareholders may be ignored, and companies will act as if they are “too big to listen.”

As a shareholder, I am a long-term owner of the holdings in my portfolio. If Congress alters investors’ limited property rights by voting for Section 844, it will undermine confidence in the stability of our rights as shareholders, and could discourage investment.

I would urge you to oppose any attempt to alter the SEC’s shareholder proposal rule 14a-8.

Sincerely,