November 20, 2026

Vanessa Countryman
Secretary of the Commission
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: (RIN 3235-AN47) Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4

Ms. Vanessa Countryman,

We, the undersigned groups representing consumers, investors and workers, collectively write to express opposition to the Securities and Exchange Commission's proposed Recission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4.[1] This proposal effectively silences shareholders, severely limiting their right to exercise their voice in the companies they own. We urge the SEC to withdraw this proposal, as it is nothing less than an unprecedented assault on shareholders and corporate accountability.

The proposal ignores legal precedent and congressional intent, allowing the SEC to abdicate its role as a federal regulator. The current system only narrowly allows for shareholders to exercise their rights to express concerns, with limited burdens on management and the corporation. The vast majority of shareholder proposals are limited to fortune 100 companies and are non-binding, allowing corporations discretion to act or not. Additionally, the current process is critical to ensure that institutional investors are exercising their duties and allows for an efficient mechanism to address shareholder concerns with management, preserving resources and avoiding future issues. Lastly, management must be accountable to shareholders, and the SEC's proxy process plays an essential role in promoting that accountability. The current proposal eliminates this accountability, robbing shareholders of their rights, and the US capital markets of their integrity.

A. The proposal upends decades of legal precedent and is in contrast with Congressional intent.

The proposal upends decades of well settled law and regulations, undermining congressional intent. The Securities Act of 1933 and Securities Exchange Act of 1934

[1] Rescission of Rule 14a–8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4, SEC, 91 Fed.Reg. 59904 (Sept. 21, 2026), available at https://www.govinfo.gov/content/pkg/FR-2026-09-21/pdf/2026-19260.pdf.

were designed to establish integrity in the offer, sale, and trading of securities. Congress established clear minimum disclosure standards and rights for investors who were increasingly from areas across state, and even national boundaries. Congress was particularly focused on the ability of shareholders to put issues up for a shareholder vote, and their power to effectuate change through voting. The proxy solicitation process is central to that key role for shareholders. Section 14 of the Exchange Act expressly directs the Commission to regulate that process with the goal of preventing abuses that had disenfranchised shareholders for years prior to the bill's enactment.[2] This proposal ignores this history and Congressional intent, removing the SEC from its role as a federal regulator.

B. Shareholder proposals are already regulated and very limited as to how shareholders can exercise their rights, giving preference and discretion to corporate management.

There are already requirements in place that limit shareholder proposals, as to not put excessive burdens on management.[3] Indeed, the exact contours of shareholders' suffrage rights have been weakened significantly over time, as the Commission has become increasingly receptive to pleas from issuers, their executives, and their ideological allies to dramatically restrict the shareholder franchise.[4] Under the current Rule 14a-8, shareholders who meet minimum ownership requirements (which have been tweaked over time) are able to submit issues to a company and seek to have them included in the company's proxy materials as part of a shareholder vote. Further, companies may exclude proposals from their proxy materials if they qualify for an exemption, based upon the content of the proposals.

Additionally, most shareholder proposals are non-binding, they do not force corporations to take a certain action or spend money, and instead action is left to the discretion of management. The Commission's longstanding proxy process generally is just to provide shareholders the right to express their collective perspectives on the issues raised – and do not directly affect corporate governance, strategy, or operations – which are still left to issuers' management teams and boards of directors.

C. The current proxy process is critical to ensuring institutional investors can exercise their duties and provides a mechanism for corporations to identify problems and resolve disputes with shareholders.

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[2] H.R. Rep. No. 1383 73d Cong., 2d Sess. (1934).

[3] *Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a–8*, SEC, 84 Fed. Reg. at 66459.

[4] See, e.g., *Proxy Process and Rules: Examining Current Practices and Potential Changes, Before the United States Senate Committee on Banking, Housing, and Urban Affairs*, (115th Cong. 2018), available at https://www.banking.senate.gov/imo/media/doc/Gallagher%20Testimony%2012-6-18.pdf (Statement of Daniel M. Gallagher).

The current proxy process has become an essential component of institutional investors' toolkit to fulfill their fiduciary obligations. For decades, investors have used the proxy process to engage companies and their management on issues of importance to them. Notably, with the advent of index-based investing, many of these investors are not practically willing or able to "divest" every time they disagree with a major company decision, nor would that make economic sense. The shareholder proxy process is the principal mechanism through which investors engage with companies and their management teams to identify issues and effectuate change.

The credible threat by the shareholder of having the company include the materials and face the outcome of the subsequent vote creates opportunities to identify, address, and resolve issues of potential disagreement between shareholders and the companies they own. The identification and resolution of these issues – before any proxy solicitation is sent or vote held – saves costs and corporate resources. The discussions and process very, very often lead to avoidance of greater costs, including legal, travel, and others – separate from the substance of the actual proposals' contents. Put simply, the shareholder proxy process established by the SEC over eighty years ago promotes sound, accountable corporate governance practices, and its removal will dramatically negatively impact investors of all types.

For these reasons, we urge the Commission to withdraw this proposal. We appreciate your consideration on these issues.

Sincerely,

American Association for Justice
Action Center on Race and the Economy (ACRE)
AFT
Americans for Financial Reform Education Fund
Better Markets
Center for Economic and Policy Research
Economic Empowerment Center DBA Lending Link
Open Markets Institute
Public Citizen
Rise Economy
Service Employees International Union
United Food and Commercial Workers International Union
Virginia Citizens Consumer Council