

**U.S. Senator Dianne Feinstein responding to your message**

1 message

**senator@feinstein.senate.gov** <senator@feinstein.senate.gov>  
To: zhaocp@gmail.com

Wed, May 21, 2014 at 2:55 PM

# Dianne Feinstein

*United States Senator for California*

May 16, 2014

Jing Zhao  
262 Altadena Circle  
Bay Point, California 94565

Dear Mr. Zhao:

Thank you for your letter concerning Securities and Exchange Commission (SEC) Commissioner Michael Gallagher's recent remarks about shareholder proposals. I appreciate hearing from you, and welcome the opportunity to respond.

As you discuss, in a March 27, 2014 speech before the Annual Corporate Law Institute, Commissioner Gallagher expressed concerns that the current shareholder proposal system allows corporate and activist interests a political platform at the expense of other investors. He suggested several ideas, including raising the amount of share ownership needed to submit proposals and banning proposals by proxy, to limit proposals by groups that may be interested in concerns that are political in nature or not relevant to the majority of shareholders.

I recognize you have concerns that such proposals could restrict shareholders like you from raising social justice and human rights concerns, and I appreciate your suggestion that the stock ownership threshold for submitting proposals be lowered to allow more shareholders to participate in the process. It is important to note that Commissioner Gallagher's remarks represent the views of one of five Commissioners, and his proposals would have to undergo the formal rule-making process to be implemented. Should a formal rule be proposed, you will be able to share your concerns directly with the SEC during the public comment phase via <http://www.regulations.gov/>. Most agencies are required to respond to all comments received during public comment periods.

To date, no bill that would pre-empt SEC rulemaking on this matter has been introduced in Congress. However, please know that I have made note of your concerns and will keep them in mind should I have the opportunity to consider relevant legislation in the Senate.

Once again, thank you for writing to me. I appreciate knowing of your concerns, and hope you will continue to keep me informed of matters of importance to you. Should you have any further comments or concerns, please do not hesitate to contact my Washington, D.C. office at [\(202\) 224-3841](tel:2022243841). Best regards.

Sincerely,

Dianne Feinstein

United States Senator

DF:nz

Further information about my position on issues of concern to California and the nation are available at my website, [Feinstein.senate.gov](http://Feinstein.senate.gov). And please visit my [YouTube](#), [Facebook](#) and [Twitter](#) for more ways to communicate with me.