

Submitted via regulations.gov

September 17, 2020

Office of Regulations and Interpretations  
US Department of Labor Room N-5655  
200 Constitution Avenue NW  
Washington, DC 20210

RE: Proposed rule on Financial Factors in Selecting Plan Investments (RIN 1210-AB91)

To whom it may concern:

I write to provide comments in response to the Department of Labor's proposed rule, "Fiduciary Duties Regarding Proxy Voting and Shareholder Rights" (RIN 1210-AB91) (the "Proposal"). The Proposal does not describe a problem that needs to be "fixed" and thus should be withdrawn.

Our firm, Horizons Sustainable Financial Services, Inc., is a Registered Investment Advisory Firm with the State of New Mexico, having assets under management of approximately \$90 Million and specializes in ESG and Sustainable Investing practices. Our principals have been working in this capacity for over 20 years and have a lot of experience and expertise in the field and the expectations of clients. Proxy voting is one of those expectations. Currently our client base is a mixture of Individuals, small businesses with some employer sponsored plans and Non-Profit Institutions, all of whom have a sustainable or ESG mandate for their investments.

The Proposal's obligation on fiduciaries to document the calculations behind each vote is onerous and unworkable. The Proposal will require fiduciaries to calculate the economic impact of every vote on the proxy ballot, including directors, independent auditors, say on pay and shareholder Proposals. This is costly and imprudent use of plan assets – the exact thing DOL should be protecting against.

As with the Department's ESG Proposal announced June 23rd, the proxy voting Proposal relies on scant evidence and a fundamental misunderstanding of the importance fiduciaries and other investors place on voting proxies in order to communicate their preferences to company management. Without it, the investor voice is greatly diminished.

DOL states the rule is needed because of "the recent increase in the number of environmental and social shareholder proposals introduced. It is likely that many of these Proposals have little bearing on share value or other relation to plan interests..." Yet, no data is provided to support this. In reality, on average, only 13 percent of Russell 3000 companies received a shareholder Proposal in any one year between 2004 and 2017. In other words, the average Russell 3000 company can expect to receive a Proposal once every 7.7 years.

Further, the focus on environmental and social proposals being a particular problem does not align with the direction of the financial markets where the practice of sustainable investment, including engaging in the shareholder process, is increasing rapidly.

As Fiduciaries we at our firm feel it is wrong for the DOL to tell us or other Fiduciaries that they should not exercise our right to vote. Owning shares of stock comes with that right and frankly the responsibility to vote those proxies. Additionally, the DOL's absence of a cost-benefit analysis really should disqualify this proposed rule. Since the DOL has provided no data to actually quantify their purported benefits of not voting proxies, this proposed rule should be vacated. Along those same lines, the proposed rule by the DOL will require onerous obligations on the part of Fiduciaries to document many calculations behind each vote that they might cast for a plan. This Proposal is set to require Fiduciaries to calculate items such as economic impacts of votes on the ballot that include the directors of companies, independent auditors, say on pay and every shareholder proposal. This is simply an imprudent use of plan assets, the one thing the DOL should be protecting plans from.

Therefore, I respectfully request that the Proposal be withdrawn.

Thank you for your consideration of these comments.

Sincerely,

Kimberly Griego-Kiel, CEO