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General Comment

1 October 2020

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

RE: Proxy Voting and Shareholder Rights NPRM (RIN 1210-AB91)

To the Attention of Mr. Jason A. DeWitt:

The purpose of my message is to express my perspectives on the Department of Labors announcement on the proposed rule on proxy voting, and the related proposed rule on ESG investing. Given the significance of fiduciary responsibility in increasingly complex investment environments, it is my belief that the proposed regulations represent an appropriate course of action.

In my role with JP Morgan and Wells Fargo, I have worked extensively to lead a team of experts in assisting a diverse array of clients with their wealth management needs and provide tailored financial solutions. As a part of this, business decisions for retirement funds often come into play. Ultimately, our clients need to know that the one key criteria is economic benefit. Fortunately, having a robust team like I have benefitted from with many stages of investment review allows large firms to ensure our fiduciary duty to investors. However, smaller investors and smaller managers are at greater risk and need appropriate protections and assurances.

While I am pleased with how the Departments approach helps to protect the integrity of private pension funds, I remain cognizant of further susceptibilities surrounding the current frameworks and how they could erode fiduciary responsibility. Specifically, this rests on the concerns with robo-voting and how proxy advisers vote automatically on behalf of private pension fund managers. Far too often this amounts to negligent acts by which proxy advisers bend to the will of activist investors and pursue misguided, and often politically-motivated, agendas that lack fiduciary acumen.

To this end, robo-voting effectively short-changes countless hardworking Americans and undermines their long-term investments for reasons that are beyond their control. Those who have invested undoubtedly desire, and are deserving of, sound financial advice and management such that they may have the best prospects for ensuring favorable returns. Given proxy advisory firms increasing partiality towards various ESG policies to the detriment of fiduciary responsibility, it is clear that reforms must be made.

For this reason, I encourage the Department of Labor to pursue corrective action on robo-voting in the midst of implementing the new regulatory regimes. The roadmap you have authored thus far deserves much praise, and I hope that you will take the final steps necessary to ensure greater fiduciary oversight, and ultimate protect investors, pension funds, and public sector deposits.

Sincerely,

Benjamin T. Lyng, CFA