October 24, 2023

Kevin Cameron, Executive Chairman and Co-founder
Cheryl Gustitus, Chief Strategy Officer
Glass Lewis
2323 Grand Boulevard, Suite 1125, Kansas City, MO 64108

Dear Kevin Cameron & Cheryl Gustitus,

We, the undersigned state financial officers, have been elected to serve the interests of our constituents and safeguard the well-being of public funds in our states. Those funds may include, among other things, public money affected by your proxy-advisory services, either because you advise state pension or retirement funds directly or because public money is managed by asset-management firms that pay for your proxy-advisory services.

Summary of Prior Dialogue with Glass Lewis

We have written to you previously, because "our fiduciary duties oblige us to examine whether proxy-voting advice is prudent, open, honest, and consistent with our public constituents' long-term economic interests." (Microsoft Word - ProxyAdvisoryLetter_ISS.docx (utah.gov)), with a "particular interest" regarding "proxy-voting advice and recommendations related to environmental, social, and political matters, which recently have dominated shareholder proposals.."

Two of us wrote in the Wall Street Journal that we see ourselves as "the last line of defense against proxies pushing political agendas.", and voiced an opposition to asset managers using shareholder dollars to pursue "…nakedly ideological goals". (A Historic Breach of Fiduciary Duty - WSJ)

You responded and assured us that you are making decisions without political bias, that in fact "…Glass Lewis' Code of Ethics strictly forbids any Glass Lewis professional, including our research analysts who review shareholder proposals, from making recommendations based on their personal, social, or political preferences."

We thank you for your response and wish to pursue further dialogue on the matter.

We acknowledge your point that "The Glass Lewis Benchmark Policy is one voting option our clients can choose." However, the existence of other choices does not erase your obligation to be even-handed politically in your Benchmark Policy which is your firm's recommended set of votes. The fact that clients can go to extra effort and incur extra costs to deviate from it does not change our reasonable expectation that your recommendations should be "free of ideological agendas".

For this reason, we asked several questions to ascertain your Benchmark Policy recommendations on shareholder proposals in general and your recommendations on the minority of proposals which come from conservative advocates.

Benchmark Policy's Handling of Proposals from Conservative Groups

By your own acknowledgment, your Benchmark Policy did not support any proposals from conservative groups in the data you presented in your letter.

"In 2022, 45 proposals were submitted to company annual meetings by these types of activist groups, …Glass Lewis' Benchmark Policy recommended that shareholders support management's recommendation on 39 of these proposals submitted for a vote during the 2022 proxy season and that shareholders abstain on six others." To be explicit, your policy to "support management's recommendation" was a decision not to support the proposals offered by conservative groups. In all other cases, you recommended an abstention. So that aggregates to zero support last year for shareholder proposals from the conservative groups listed.

You do report that, "To date in 2023, Glass Lewis' Benchmark Policy has continued to not recommend in favor of most of these proposals, although it has recommended in favor of seven shareholder proposals (and to abstain on one other) submitted by NLPC requesting that companies appoint an independent chair."

Some clarification would be helpful as to exactly what it means for you "to not recommend in favor of *most of* these proposals". Does "most" mean that you opposed the conservative proponents 51% of the time or is it more like 90%?

Also, why do you only give the history of support for NLPC's? NLPC provides a small proportion of proposals from conservative groups and (as you point out) several of those proposals were to separate the Chair and CEO role, which is fairly palatable to the traditional ESG community. In other words, by focusing only on NLPC, your data appears to artificially boost even the meager level of support which Glass Lewis has shown for conservative proponents.

Further, you acknowledge that you support a majority of shareholder proposals, as implied by this data:

Alignment of Glass Lewis Benchmark Policy and Management Recommendations on Environmental and Social Shareholder Proposals

Proposal Type	2020	2021	2022
Environmental Shareholder Proposals	48%	40%	40%
Social Shareholder Proposals	50%	50%	47%

Sources: Glass Lewis' 2022 U.S and Shareholder Proposal Proxy Season Reviews

06-29-2023-Proxy-Advisory-Firm-Responses-to-May-15-Letters.pdf (utah.gov)

Given the discussion earlier about conservative proponents and the grid above, for the most recent year for which data is available (2022), you supported approximately 53% of Social Shareholder proposals and 60% of Environmental Shareholder Proposals, but 0% of shareholder proposals from conservative groups. This does not appear to be even-handed treatment. We should also point out that some of the environmental and social proposals which you voted against were from conservative groups, which means that excluding those, your level of support for non-conservative proposals is even higher.

Your letter appears to suggest that you oppose proposals from these the conservative groups because they are political:

"All three proponents named in your questions are known for seeking to advance *a conservative viewpoint* on ESG issues. Generally, these proponents seem to have *political, rather than shareholder value*, goals and are frequently critical of companies' efforts with respect to environmental and social issues. For example, we understand that Mr. Milloy is one of the leaders of *Burn More Coal*, an activist group that promotes the increased use of coal as a fuel for energy generation."

*06-29-2023-Proxy-Advisory-Firm-Responses-to-May-15-Letters.pdf (utah.gov)

This assumes a false dichotomy between a self-described conservative political philosophy and shareholder value, a dichotomy that you do not impose on left-of-center groups. A conservative organization can attempt to move companies away from politics not towards it. Several of the groups you discuss hold to the view that being conservative does not mean trying to move companies towards conservative politics, but rather to move them away from all politics.

Furthermore, it is difficult to see how one can argue that being "critical of companies' efforts with respect to environmental and social issues" is political, but that being in favor of those efforts is not.

Your letter reports that Mr. Milloy is associated with a group called "Burn More Coal." Since this appears in a section of your letter which defends your lack of support for proposals from this group, it appears to be an attempt to undermine the credibility of the proponent. However, is a group that wants to burn more coal automatically to be deemed as political while groups which want to burn less coal are not? As energy demand skyrockets and geopolitical instability drives up the price of oil, and renewables run into the limits of both politics and physics, is it not possible that it would be fiduciary for companies, especially coal companies, to burn more coal?

As a leader in this field, you know that a high proportion of environmental and social shareholder proposals come from repeat proponents with barely concealed ideological goals: greenhouse gas reductions, racial justice initiatives, access to abortion services, and “congruency” proposals calling out companies for supporting various conservative organizations and politicians.

If one group calls for a study of the risks of using fossil fuels, and another group calls for a study of the risk of not using fossil fuels, it is hard to believe that a fair observer would think of the first as neutral and the second as political. Similar pairings include calls for audits of racial diversity and calls for audits of viewpoint diversity.

Perhaps a more comprehensive disclosure of your specific voting recommendations would demonstrate claims of non-bias, but the currently available data certainly do not support that claim.

We acknowledge that fiduciary customers are offered various Thematic Policies, but a review of the written guidelines does not indicate that the ESG policy, the Climate policy, the Catholic policy, the Taft-Hartely policy, the Public Pension policy, or the Governance policy would have a materially different handling of proposals from conservative groups. Therefore, the availability of alternative Thematic Policies does not appear to address our concerns either. For example, your own self-reporting shows that where data is available (for all the policies except Governance), your Thematic Policies have even significantly higher support levels for ESG proposals than your Benchmark.

(Glass-Lewis-Thematic-Policies-Overview.pdf (hubspotusercontent-na1.net))

This undermines any attempt to portray the Catholic Thematic policy as evidence that there is a readily available option for conservative investors. For example, the Catholic policy opposes “Trojan Horse Proposals”:

> “The Catholic Policy will carefully examine each proposal’s merits in order to ensure it seeks enhanced environmental disclosure and/or practices, and *is not conversely aimed at limiting environmental or social disclosure* or consideration. Accordingly, the Catholic Policy will *not support* such proposals, which are often referred to as *“Trojan Horse”* proposals.” (Italics added)

“Trojan Horse” is a pejorative catch-all category applying to proposals that deal with issues pertaining to ESG, but which come from conservative sources and are skeptical towards an ESG approach. They are sometimes classified as “anti-social” proposals. Both labels evince a prejudicial opposition. Examples of such proposal include attempts to get companies to count the cost of pro-abortion political speech or consider the risks of debanking organizations that promote, for example, religious liberty. The language of the Catholic Thematic policy would oppose such proposals, including those inspired by the debanking of the Catholic former United States Ambassador-at-Large for International Religious Freedom, Sam Brownback. Without more detailed disclosure it would be impossible to confirm that the actual voting pattern followed the written policy in these cases.

The Catholic policy, does, however, appear not to have followed Glass Lewis into another culturally divisive policy change, the redefinition of gender away from biology towards self-identification.

> "Regarding the nominating committee, we will consider recommending that shareholders vote against...all members of the nominating committee of a board with no *gender diverse directors*....” (Italics added)

The “gender diverse” language is a change in policy which “has replaced references to “female directors” with “gender diverse directors,”” (Proxy Advisors Update Voting Guidelines for 2022 (harvard.edu)).

So, Glass Lewis Benchmark Policy now defines gender diverse members as *“Women and directors that identify with a gender other than male or female."* (Italics added)”

US-Voting-Guidelines-2023-GL.pdf (glasslewis.com); Proxy Advisors And Market Power: A Review of Institutional Investor Robovoting (harvard.edu)

In other words, a board with no biological women can escape the punishment of adverse votes by adding biological men who do not identify as men. What is the fiduciary case is for such a policy? A vigorous search of the literature yields no quantitative evidence that trans or non-binary board members have any discernable effect on the financial well-being of shareholders. And such a policy shift certainly offers no reassurance either to conservatives that the Benchmark policy is truly non-biased.

But perhaps it’s time to turn the page and move on from debates about past practice and focus on the future. Therefore, we respectfully ask that Glass Lewis make Thematic Policies available which address the types of concerns we have raised which are as accessible as the current Thematic Policies are.

We would be happy to work with you on the development of such a policy.

In addition, we respectfully ask that you take steps to ensure input from a wider group of constituents and subject matter experts in the formation of your Benchmark Policy on issues of concern. In testimony before Congress, you reported that “The Benchmark Policy, like other Glass Lewis voting policies, is formulated via a bottom-up approach that involves extensive discussions with a wide range of market participants, including…academics, and subject matter experts, among others.” (Testimony at the Committee on Financial Services hearing: “Oversight of the Proxy Advisory Industry” (harvard.edu)). We can find no disclosures as to which specific “academics, and subject matter experts, among others” you invite to the table, but surely the current controversies over ESG and proxy voting are of sufficient importance for you to consider whether there is room for more ESG-skeptics there.

Debanking is an Opportunity to Demonstrate Good Faith

Glass Lewis could take a step forward by supporting shareholder-backed assessments evaluating whether companies are at risk of discriminating against clients based on their political or religious views. In late 2022, shareholders filed resolutions at several major financial institutions including JPMorgan Chase, PayPal, Capital One, Mastercard, and Charles Schwab regarding this issue.[1] Specifically, the resolutions asked companies to take the following actions:

> Resolved: Shareholders request the Board of Directors… conduct an evaluation and issue a report within the next year, at reasonable cost and excluding proprietary information and disclosure of anything that would constitute an admission of pending litigation, evaluating how it oversees risks related to discrimination against individuals based on their race, color, religion

[1] *Annual Meeting of Shareholders* , 100-101 (2023); *PayPal Annual Meeting of Stockholders and Proxy Statement,* 105-106 (2023); Capitol One Proxy Statement, 149-153 (2023); Charles Schwab Proxy Statement, 83-85 (2023).

(including religious views), sex, national origin, or political views, and whether such discrimination may impact individuals' exercise of their constitutionally protected civil rights.[2]

In 2022, JPMorgan Chase closed the account of the National Committee for Religious Freedom, an interfaith nonprofit founded by former U.S. Ambassador and Kansas Governor Sam Brownback.[3] Chase gave no clear explanation but did say it would consider re-opening the account if NCRF agreed to disclose confidential donor information and detailed information about its political activities. Over the next year, Chase offered no fewer than five increasingly untenable and contradictory explanations for why it canceled the account.[4]

This was not the first time Chase engaged in seemingly discriminatory conduct toward clients. Chase's payment processing subsidiary, WePay, has denied service to religious and center-right nonprofits on multiple occasions. In 2021, WePay denied payment processing services to an organization called Defense of Liberty for an event featuring Donald Trump Jr.[5] That same year, WePay also denied service to the Arkansas Family Council.[6] In the first case, WePay cited a policy that allows them to refuse service when an activity is deemed "[hateful]" or "[intolerant]," and in the second, the bank classified the Arkansas Family Council as "High Risk," presumably because of their advocacy for traditional family values.[7]

A recent letter addressed to Intuit from U.S. Senator Ted Cruz, revealed that Chase pressured the software company to restrict service to certain firearms sellers as a condition of maintaining their accounts or other services (which Chase confirmed).[8] Chase also recently closed the account of Dr. Joseph Mercola, along with those of several of his employees and family members without explanation prompting concerns that the decision may have been politically motivated since Dr. Mercola has taken controversial positions on COVID-19 in the past.[9]

While Chase is among the worst actors when it comes to politicized debanking, the company is not alone. Bank of America recently shuttered the account of Indigenous Advance Ministries, a faith-based organization that provides food, clothing, and other material needs to orphans and widows in Uganda.[10] Other companies, including PayPal and Wells Fargo, have similarly denied or restricted service for reasons that appear arbitrary or biased.[11]

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[2] https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/proxy-statement2023.pdf pg. 100-101

[3] https://www.foxbusiness.com/politics/chase-bank-allegedly-shutters-bank-account-religious-freedom-nonprofit-demands-donor-list

[4] https://www.newsweek.com/stop-troubling-trend-politically-motivated-debanking-opinion-1787639

[5] Ronn Blitzer, *JPMorgan Chase bank reverses decision after Missouri calls out refusal to serve conservative group,* FOX BUSINESS

[6] Jerry Cox, *Chase Bank cancels National Committee for Religious Freedom's account two years after canceling ours,* FAMILY COUNCIL

[7] Supra.

[8] https://www.commerce.senate.gov/services/files/1725E5EC-442C-4C38-8F85-6E0C5BA76B2C

[9] https://flvoicenews.com/retail-health-company-has-chase-accounts-suddenly-terminated-owner-critical-of-covid-vaccines-fda/

[10] https://adflegal.org/press-release/bank-america-boots-charity-serving-impoverished-ugandans-under-vague-risk-tolerance

[11] Aaron Terr, *PayPal is no pal to free expression, FIRE* ; Jennifer Roback Morse, Vanco Doesn't Want My Business. Or Yours., Ruth Institute

According to the Viewpoint Diversity Score Business Index which assesses America's largest companies on their respect for free speech and religious freedom, at least 48% of the 44 financial institutions evaluated have policies that contain vague or unclear terms under which they could deny or restrict service based on clients' viewpoints.[12]

These open-ended policies can be easily used by governments or private actors to cut off certain groups from accessing the financial system. For example, in the now infamous Operation Chokepoint, the Obama administration pressured banks to deny services to unpopular groups based on perceived "reputational risk."[13]

Despite mounting evidence that major financial institutions are at serious risk of discriminating against clients based on their social views, your firm opposed resolutions seeking reasonable assurances that these institutions are proactively guarding against bias in their services. That position is both inconsistent with your duty of care and with your stated commitment to transparency.

Opposing reasonable Debanking Risk Assessments violates your Duty of Care:

Glass Lewis is bound by a duty of care to issue proxy vote recommendations in accordance with the fiduciary interests of its client-shareholders.[14] Opposing reasonable measures aimed at ensuring that financial institutions treat customers fairly violates your duty of care to us, and to your other clients, for at least three reasons.

First, politicized debanking presents significant political and regulatory risks. Last year, fourteen of us (state financial officers) sent a letter to Chase raising concerns over its unfair treatment of Ambassador Brownback and its larger pattern of what appears to be political bias.[15] Nineteen state attorneys general also sent a similar letter to Chase mirroring these concerns.[16] This scrutiny resulted in a significant amount of negative press attention for Chase, including a cover page article in the Wall Street Journal.[17]

More broadly, growing concerns over politicized de-banking prompted several U.S. Senators to introduce the Fair Access to Banking Act during the 118th Congress intended to address financial institutions' "[categorical discrimination] against legal industries."[18] Similar concerns led the U.S. Treasury

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[12] https://www.viewpointdiversityscore.org/business-index;
https://www.viewpointdiversityscore.org/news/statement-on-debanking-and-free-speech
[13] https://www.newsweek.com/cancel-culture-comes-banking-opinion-1668200
[14] https://www.texasattorneygeneral.gov/sites/default/files/images/press/Utah%20%26%20Texas%20Letter%20to%20Glass%20Lewis%20%26%20ISS%20FINAL.pdf
[15] https://www.foxbusiness.com/politics/state-financial-officers-call-jpmorgan-chase-address-politically-motivated-de-banking
[16] https://www.foxbusiness.com/politics/chase-bank-warned-religious-discrimination-gop-attorneys-general
[17] https://www.wsj.com/articles/jpmorgan-targeted-by-republican-states-over-accusations-of-religious-bias-903c8b26
[18] *Fair Access to Banking Act, S. 293*, 118th Cong. (2023-2024); *Capito, Cramer, Colleagues Reintroduce Fair Access to Banking Act*, SHELLEY MOORE CAPITO (Feb. 7, 2023).

Department's Office of the Comptroller of the Currency to finalize a rule in 2021 that limits the ability of banks to deny access to financial services based on broad-based reputational risk policies.[19]

Various states are also taking action to address de-banking. Florida enacted legislation that requires certain banks operating within the state to certify, among other things, that they do not deny or cancel services based on a "person's political opinions, speech, or affiliations[,]" or their "religious beliefs, religious exercise, or religious affiliations[.]"[20] This builds on mounting action by states to penalize financial institutions that are denying service to legal industries such as fossil fuels and guns.[21]

Second, politicized debanking may heighten financial service providers' exposure to legal liability. Numerous laws prohibit financial institutions from discriminating based on religion. The Equal Credit Opportunity Act and Fair Housing Act bar religious discrimination in lending, broadly construed.[22] Last year, the Consumer Financial Protection Bureau also prohibited religious discrimination as a part of the statutory ban on "unfair" practices under the Dodd-Frank Act.[23] Many states and cities prohibit religious discrimination in a wide variety of contexts. For example, both Washington D.C. and New York prohibit religious discrimination in housing, employment, public accommodations, and educational institutions.[24] New York's Human Rights Law also specifically prohibits religious discrimination in providing credit services.[25]

Barring discrimination against Americans based on their political views also has a pedigree in civil rights law. Though political views remain an emerging field in federal nondiscrimination law, the civil rights laws of numerous states like New York, Washington, and Washington D.C. already treat political affiliation or political activities as protected characteristics.[26]

And this year, Florida enacted legislation directly prohibiting banks and lenders from penalizing a person for their "political opinions, speech, or affiliations[,]" or their "religious beliefs, religious exercise, or religious affiliations[.]"[27] Texas also passed a law this year stopping insurers from setting rates based on any ESG criteria, including social factors.[28]

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[19] *Fair Access to Financial Services Final Rule* (Jan. 13, 2021); *OCC Finalized Rule Requiring Large Banks to Provide Fair Access to Bank Services, Capital and Credit*, OFFICE OF THE COMPTROLLER OF THE CURRENCY (Jan. 14, 2021).

[20] *Florida House Financial Services Bill Becomes Law: Takes Aim at ESG Principles, Creating a New "Unsafe and Unsound Practice" Standard for Financial Institutions Doing Business In Florida*, WINSTON & STRAWN LLP (May 3, 2023).

[21] Pete Schroeder, *How Republican-led states are targeting Wall Street with 'anti-woke' laws*, REUTERS (July 6, 2022 at 6:13 AM).

[22] https://www.govinfo.gov/content/pkg/USCODE-2021-title15/pdf/USCODE-2021-title15-chap41-subchapIV-sec1691.pdf; https://uscode.house.gov/view.xhtml?path=/prelim@title42/chapter45&edition=prelim

[23] https://www.consumerfinance.gov/about-us/newsroom/cfpb-targets-unfair-discrimination-in-consumer-finance/

[24] https://code.dccouncil.gov/us/dc/council/code/sections/2-1401.01; https://www.nyc.gov/assets/dcas/downloads/pdf/reports/psb_100_13_296.pdf

[25] https://www.nysenate.gov/legislation/laws/EXC/296

[26] https://www.nysenate.gov/legislation/laws/LAB/201-D; https://app.leg.wa.gov/RCW/default.aspx?cite=42.17A.495&pdf=true; https://code.dccouncil.gov/us/dc/council/code/sections/2-1402.11

[27] https://www.flsenate.gov/Session/Bill/2023/3

[28] https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=SB833

Many financial institutions hold themselves out as inclusive places and make promises not to discriminate. To the extent they make these representations, they may be liable under state and federal consumer protection laws for deceptive acts and practices.

Third, politicized de-banking undermines public trust and client relationships. Customers and the general public are pushing back against politicized de-banking. According to an AP/NORC poll, "only 10% of adults have a great deal of faith in the nation's banks and financial institutions, and most say government is not doing enough to regulate the industry."[29] While there are a variety of factors contributing to declining trust in financial institutions, one factor is the increasingly prevalent perception that these institutions are biased and working against the interests and values of everyday Americans. One recent poll surveying American workers found that at least 57% of respondents indicated that they were likely to stop using service providers that do not respect their values.[30] The perceived erosion of political impartiality in the financial sector threatens client relationships—particularly with the states we represent.

Many states, including Texas, Florida, West Virginia, Missouri, Kentucky, and Oklahoma are re-evaluating their relationships with banks and investment managers largely over concerns that those entities are denying service and capital to legal industries such as firearms companies and fossil fuel producers.[31] Oklahoma placed major financial institutions, including Chase, Wells Fargo, Bank of America, and State Street on a list that restricts those companies from participating in state contracts valued at $100,000 or more.[32] Kentucky also threatened to place similar restrictions on many of the same firms including Citi Bank and BlackRock.[33] And Louisiana divested $800 million from BlackRock.[34]

The perception that financial service providers are engaged in political or religious discrimination is equally concerning to us and could lead to similar consequences. After Chase subsidiary WePay denied payment processing services to Defense of Liberty, then-Missouri Treasurer Scott Fitzpatrick reprimanded the bank and suggested that the state would cease doing business with the company—or any other firms—that "[discriminate] against customers based on mainstream political ideology."[35]

Opposing reasonable Debanking Risk Assessments is inconsistent with your own Guidelines:

Opposing reasonable measures intended to prevent politicized debanking at major financial institutions would also be inconsistent with your stated commitment to transparency.

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[29] *Few have confidence in financial institutions,* NORC (Mar. 22, 2023).

[30] *2023 Freedom at Work Survey,* VIEWPOINT DIVERSITY SCORE (last accessed Sept. 12, 2023).

[31] Purchasing, Divestment Statute Lists, COMPTROLLER.TEXAS.GOV (last accessed Sept. 12, 2023; Ross Kerber, *Florida pulls $2 bln from BlackRock in largest anti-ESG divestment,* REUTERS (Dec. 1, 2022 at 4:39 PM); Pete Schroeder, *West Virginia bars five financial firms for deemed fossil fuel 'boycotts,'* REUTERS (July 28, 2022 at 1:44 PM); Thomas Catenacci, *Missouri latest state to divest from BlackRock over ESG initiatives: 'Woke political agenda,'* FOX BUSINESS (Oct. 18, 2022 at 9:48 AM); Lauren Sforza, *Kentucky treasurer says 11 banks subject to divestment due to energy company 'boycotts,'* THE HILL (Jan. 3, 2023); *New mental health hospital with 330 beds to open in OKC,* THE OKLAHOMAN (Sept. 12, 2023 at 1:06 PM).

[32] *See* Todd Russ, Restricted Financial Company List (May 3, 2023).

[33] *Restricted Financial Companies List,* KY.gov (last accessed Sept. 12, 2023).

[34] Zachary Halaschak, *Louisiana announces nearly $800 million divestment from BlackRock over ESG push,* THE WASHINGTON EXAMINER (Oct. 5, 2022 at 3:59 PM).

[35] Letter from Scott Fitzpatrick to Jamie Dimon (Nov. 17, 2021).

> "We believe that insufficient oversight of material environmental and *social issues* can present direct *legal, financial, regulatory and reputational risks* that could serve to harm shareholder interests. (Italics added)
> [US-Voting-Guidelines-2023-GL.pdf (glasslewis.com)]

These are exactly the same types of concerns that arise from politically-motivated debanking and, therefore, deserve the same vigilance you offer to issues raised by conventional ESG proponents.

We have demonstrated above that high profile incidents of debanking have been met with: plausible claims of illegality; negative press coverage; investor objections; hostile Congressional hearings; objections from both legal and financial state officials; a complaint before a regulatory enforcement body; threats from states of illegalization and threats from state governments of boycotts. If debanking does not qualify as a risk factor, it is hard to imagine what would.

We do not see how it would be possible for Glass Lewis to oppose risk disclosure in this instance and still be consistent with its stated policies regarding, "…clear oversight of material risks to their operations, including those that are environmental and *social* in nature…. *diversity*, *stakeholder relations*…." (Italics added)

> [US-Voting-Guidelines-2023-GL.pdf (glasslewis.com)]

Do risks that are social in nature only refer to items of concern to the traditional socially responsible investment community, or are the civil rights of all covered by that category? Conservatives and people of faith are also part of "stakeholder relations" or at least should be.

Merely being identified by activist groups such as Climate Action 100+ triggers Glass Lewis calls for risk disclosure:

> "…companies identified by groups including Climate Action 100+, should provide clear and comprehensive disclosure regarding these risks, including how they are being mitigated and overseen….such information is crucial"
> [US-Voting-Guidelines-2023-GL.pdf (glasslewis.com)]

However, plausible concerns over political or religious discrimination in the finance sector were raised by groups focused on the climate hostile to viewpoint diversity. The current and observative risks arising from the overheating of our nation's political climate deserve as much attention as the possible risks of predicted overheating of our global weather climate.

Corrective Action is Needed to Address these Inconsistencies:

In light of these concerns, we request that your firm amend its default voting recommendations to **support** shareholder proposals that raise reasonable concerns over political or religious discrimination in financial services. Such resolutions are important for holding management accountable for identifying and eliminating drivers of politicized debanking that could do harm to companies' clients—or damage their public credibility and trust.

We further urge you to work collaboratively with us and other interested parties to align your broader proxy voting guidance with the fiduciary interests of all shareholders and avoid political bias.

We take you at your word regarding your policy against injecting personal political bias into your recommendations. But bias, as our friends in the DEI movement often remind us, can often be unconscious. The process by which you evaluate proposals on the risks of debanking presents a good opportunity to demonstrate that commitment to avoiding political bias.

Respectfully,

Alabama Auditor Andrew Sorrell

Alaska Commissioner of Revenue Adam Crum

Arizona Treasurer Kimberly Yee

Indiana Treasurer Dan Elliott

Iowa Treasurer Roby Smith

Kansas Treasurer Steven Johnson

Louisiana Treasurer John Schroder

Mississippi Treasurer David McRae

Missouri Auditor Scott Fitzpatrick

Missouri Treasurer Vivek Malek

Nebraska Auditor Mike Foley

North Carolina Treasurer Dale Folwell

North Dakota Treasurer Thomas Beadle

Oklahoma Auditor & Inspector Cindy Byrd

Oklahoma Treasurer Todd Russ

South Carolina Treasurer Curtis Loftis

Utah Treasurer Marlo Oaks

West Virginia Treasurer Riley Moore