



September 24, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20

Dear Ms. Countryman:

I, as a member of the Board of the New York Chapter of the National Investor Relations Institute (NIRI) am writing, on behalf of the chapter, to express our opposition to the Commission's proposed amendments to the Form 13F reporting rules (Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20).

We represent members who are investor relations officers at 111 publicly held companies. These companies, listed on the New York Stock Exchange and Nasdaq, have a combined market capitalization of over \$2 trillion. We also represent investor relations counselors who advise public companies in our area and across the country.

The Commission's proposal, which would raise the reporting threshold to \$3.5 billion, 35 times greater than the current threshold of \$100 million, would allow 89 percent of current 13F filers to go dark. This higher threshold would result in a significant loss of market transparency to our members' companies as well as other issuers in the United States. According to an IHS Markit analysis of the Russell 3000, an average company would lose visibility into 55 percent of its current 13F filers and 69 percent of the hedge funds on its 13F list.¹

We do not believe that the SEC has adequately considered the potential impact of this rulemaking proposal on our members' companies and their obligation to regularly confer with their investors throughout the year. The 13F filings are the only accurate source of ownership information available to our members' companies as well as other U.S. public companies. While 13F data is not as timely or complete as it could be, it is the only data that companies have that shows which "street name" investors are buying or selling their shares each quarter. This data

¹ See IHS Markit, "SEC's 13F Proposal – Issuer and Investor Analysis," August 7, 2020, available at: <https://ipreo.com/blog/secs-13f-proposal-issuer-and-investor-analysis/>.

cannot be replaced by retaining stock surveillance firms, which themselves rely on quarterly 13F data as a starting point for their research efforts.

Many of our chapter members work for (or advise) small- and mid-cap issuers, which typically have a higher percentage of shares owned by investment managers who would fall under the proposed \$3.5 billion threshold. These smaller companies also have fewer resources to devote to stock surveillance, so they would be especially impacted by the 13F proposal.

While our members agree that the SEC should modernize its ownership disclosure rules, we believe that the negative impacts of this proposed 13F rulemaking on public companies' ability to engage effectively with their shareholders, attract new long-term investors, and monitor hedge fund activists far outweigh the minimal cost savings for investment managers.

We ask the Commission to withdraw the proposed 13F amendments and instead pursue the reforms detailed in the rulemaking petitions submitted by National Investor Relations Institute, the NYSE Group, Nasdaq, and the Society for Corporate Governance.² We believe that both investors and companies would benefit from more timely and complete disclosure through a reduction in the 45-day 13F reporting period and the public disclosure of short positions.

To achieve these objectives, we urge the Commission to convene a public roundtable to hear the views of retail shareholders, institutional investors, issuers, and other stakeholders on potential 13F reforms and other market transparency issues, including proposals to address "short and distort" abuses, the repeal of the OBO/NOBO rules, and the modernization of 13D reporting.³ We believe that such a roundtable would result in more thoughtful rulemaking proposals that would increase transparency, promote engagement, protect retail investors, and foster public company capital formation.

² See NYSE Group, NIRI, and Society for Corporate Governance, Request for Rulemaking Concerning Amendment of Beneficial Ownership Reporting Rules Under Section 13(f) of the Securities Exchange Act of 1934 in Order to Shorten the Reporting Deadline under Paragraph (a)(1) of Rule 13f-1, Petition No. 4-659 (February 4, 2013), available at: <https://www.sec.gov/rules/petitions/2013/petn4-659.pdf>; NYSE Group and NIRI, Petition for Rulemaking Pursuant to Sections 10 and 13(f) of the Securities Exchange Act of 1934, Petition No. 4-689 (October 7, 2015), available at: <https://www.sec.gov/rules/petitions/2015/petn4-689.pdf>; and Nasdaq, Petition for Rulemaking to Require Disclosure of Short Positions in Parity with Required Disclosure of Long Positions, Petition No. 4-691 (December 7, 2015), available at <https://www.sec.gov/rules/petitions/2015/petn4-691.pdf>.

³ See Professors John C. Coffee, Jr. and Joshua Mitts *et al.*, Petition for Rulemaking on Short and Distort, Petition No. 4-758 (February 12, 2020), available at: <https://www.sec.gov/rules/petitions/2020/petn4-758.pdf>; Shareholder Communications Coalition, Letter re SEC Proxy Voting Roundtable, File No. 4-681 (April 1, 2015), available at: <https://www.sec.gov/comments/4-681/4681-9.pdf>; Wachtell, Lipton, Rosen & Katz, Petition for Rulemaking on Schedule 13D of the Securities and Exchange Act of 1934, Petition 4-624 (March 7, 2011), available at: <https://www.sec.gov/rules/petitions/2011/petn4-624.pdf>.

Sincerely,

/s/

Laura Kiernan

NIRI NY Advocacy Ambassador

Organization Name	Ticker	Market Cap
AllianceBernstein, L.P.	AB	\$ 2,552,554,272
ABM Industries Incorporated	ABM	\$ 2,444,749,196
Assured Guaranty Corp.	AGO	\$ 1,657,748,324
American International Group, Inc.	AIG	\$ 22,836,612,689
Assurant, Inc.	AIZ	\$ 7,053,385,105
Ambac	AMBC	\$ 554,748,673
Amarin Corporation	AMRN	\$ 1,404,326,454
Aramark	ARMK	\$ 6,541,949,404
Arconic, Inc	ARNC	\$ 2,037,409,163
Anterix, Inc.	ATEX	\$ 598,624,770
American Express Company	AXP	\$ 76,852,628,999
Brookfield Renewable Partners	BEP	\$ 14,114,703,675
BGC Partners Inc.	BGCP	\$ 1,196,313,590
Bausch Health	BHC	\$ 5,388,796,169
BNY Mellon	BK	\$ 29,384,033,053
Bristol Myers Squibb	BMJ	\$ 131,562,164,645
Barnes & Noble Education	BNED	\$ 116,719,481
Broadridge Financial Solutions, Inc.	BR	\$ 14,707,275,548
Chubb	CB	\$ 51,424,115,962
Clear Channel Outdoor Holdings	CCO	\$ 438,307,742
Central Garden & Pet Company	CENT	\$ 1,898,644,424
Colgate-Palmolive Company	CL	\$ 64,918,055,234
Caladrius Biosciences	CLBS	\$ 32,269,589
Compass Minerals International, Inc.	CMP	\$ 1,927,222,201
Centene	CNC	\$ 31,459,401,272
Conduent Inc.	CNDT	\$ 643,795,547
Catalent Inc.	CTLT	\$ 13,298,992,523
Cognizant Technology Solutions	CTSH	\$ 36,281,328,047
CVS Health Corporation	CVS	\$ 74,136,610,869
Endava Plc	DAVA	\$ 3,232,367,811
NTT DOCOMO, INC.	DCMY	\$ 83,104,920,910
Quest Diagnostics Incorporated	DGX	\$ 14,708,152,634
Amdocs Ltd.	DOX	\$ 7,599,375,470
Estee Lauder Companies	EL	\$ 75,888,040,142
Eastman Chemical Company	EMN	\$ 10,394,861,261
Endo International, plc	ENDP	\$ 696,342,495
AXA Equitable Holdings	EQH	\$ 8,062,442,364
Etsy, Inc	ETSY	\$ 13,660,935,388
Evercore Partners Inc.	EVR	\$ 2,515,149,801
FTI Consulting, Inc.	FCN	\$ 3,895,154,982
Fiserv	FISV	\$ 65,766,321,884
Amicus Therapeutics	FOLD	\$ 3,535,040,569
Hannon Armstrong	HASI	\$ 2,879,275,431
Honeywell International Inc.	HON	\$ 111,429,130,939
The Hershey Company	HSY	\$ 28,560,447,902
Hudson	HUD	\$ 698,831,386

Organization Name	Ticker	Market Cap
Integra LifeSciences	IART	\$ 3,819,160,587
IBM Corporation	IBM	\$ 105,287,514,730
Intercept Pharmaceuticals, Inc.	ICPT	\$ 1,309,997,535
InterDigital, Inc.	IDCC	\$ 1,737,148,536
International Flavors & Fragrances Inc.	IFF	\$ 12,443,741,658
Immunic, Inc.	IMUX	\$ 328,385,689
Insmed Incorporated	INSM	\$ 3,362,064,867
The Interpublic Group	IPG	\$ 6,355,743,205
Invesco Ltd.	IVZ	\$ 4,956,696,204
JetBlue Airways Corp.	JBLU	\$ 3,102,930,648
Kimco Realty Corporation	KIM	\$ 4,727,264,720
KKR	KKR	\$ 28,136,175,761
Lazard Ltd	LAZ	\$ 3,324,760,336
Lantheus Holdings	LNTH	\$ 809,110,032
Moelis & Company	MC	\$ 2,237,906,236
Moody's Corporation	MCO	\$ 51,730,120,000
MetLife, Inc. Investor Relations	MET	\$ 32,639,542,241
Magellan Health, Inc.	MGLN	\$ 1,817,288,156
Macquarie Infrastructure Corporation	MIC	\$ 2,262,994,472
Mohawk Group	MWK	\$ 163,682,356
Mylan	MYL	\$ 7,353,570,805
NICE Ltd.	NICE	\$ 13,675,013,641
Newmark Group Co	NMRK	\$ 970,627,328
NRG Energy, Inc.	NRG	\$ 7,082,438,970
AVON	NTCO	\$ 11,469,386,535
New York Times	NYT	\$ 6,935,343,486
OneMain Financial	OMF	\$ 3,915,127,959
OUTFRONT Media Inc.	OUT	\$ 2,056,403,199
Pfizer Inc.	PFE	\$ 198,130,549,519
Philip Morris International	PM	\$ 119,085,765,260
PQ Group Holdings, Inc.	PQG	\$ 1,380,890,103
Prudential Financial, Inc.	PRU	\$ 24,320,150,000
Ralph Lauren Corporation	RL	\$ 5,255,564,798
Realogy Corporation	RLGY	\$ 1,085,678,853
Selective Insurance Group, Inc.	SIGI	\$ 2,964,885,747
Schlumberger Limited	SLB	\$ 22,986,964,864
SS&C Technologies	SSNC	\$ 15,277,055,150
iStar Inc.	STAR	\$ 854,375,262
Sterling Bancorp	STL	\$ 1,983,677,915
Constellation Brands, Inc.	STZ	\$ 35,207,689,065
Terex Corporation	TEX	\$ 1,277,892,000
T-Mobile US	TMUS	\$ 137,303,955,117
Tapestry	TPR	\$ 4,556,598,165
Thomson Reuters	TRI	\$ 38,294,344,890
Tronox	TROX	\$ 1,113,712,274
Travelers	TRV	\$ 27,321,859,586

Organization Name	Ticker	Market Cap
Take-Two Interactive Software, Inc.	TTWO	\$ 18,720,685,830
Tradeweb Markets Inc.	TW	\$ 12,187,475,473
Ubiquiti Inc.	UI	\$ 10,255,093,996
Veeco Instruments, Inc.	VECO	\$ 567,890,371
Virtu Financial	VIRT	\$ 4,331,100,577
VolitionRx Ltd.	VNRX	\$ 148,553,169
Voya Financial	VOYA	\$ 5,832,415,369
Varonis Systems, Inc.	VRNS	\$ 3,523,699,545
Verisk Analytics	VRSK	\$ 28,732,562,738
Vishay Intertechnology, Incorporated	VSH	\$ 2,188,677,931
WisdomTree Investments, Inc.	WETF	\$ 472,108,609
Wells Fargo & Company	WFC	\$ 96,470,902,964
Wyndham Hotels & Resorts	WH	\$ 4,393,940,782
W. P. Carey Inc.	WPC	\$ 11,083,913,559
WW International	WW	\$ 1,244,596,377
Denstply Sirona, Inc.	XRAY	\$ 9,331,980,902
Xylem Inc.	XYL	\$ 14,817,848,186
Yext, Inc	YEXT	\$ 1,797,758,861
		<u>\$ 2,217,605,928,219</u>