

May 29, 2025

The Honorable Giovanni Capriglione
Texas State Representatives
PO Box 2910
Austin, TX 78768

Honorable Giovanni Capriglione,

We respectfully request that you reconsider the floor amendment #2 placed on Senate Bill 2337. We understand that exempting small nonprofit entities from disclosure requirements may seem innocuous at first glance; however, the reality is that large proxy advisory firms utilize these nonprofits for advocacy to shareholders, primarily based on non-financial issues.

For example, the nonprofit As You Sow has created a competitor to the proxy advisors called As You Vote (As You Vote — As You Sow) that provides even more radical recommendations than the proxy advisors currently do.

The purpose of Senate Bill 2337 is to bring transparency to the mega proxy advisory services, which influence trillions of dollars of investments, in the same manner that all other financial advisors are required to disclose conflicts and other relevant information. Exempting nonprofits as prescribed in the amendment provides a large loophole enabling proxy advisors to shield their misleading advocacy efforts, which are often detrimental to shareholders who are unaware of the basis for the advocacy and conflicting information given to other shareholders.

Removing the amendment is crucial to bringing much-needed transparency to this process and will further strengthen Texas as the preferred location for businesses moving forward. Under your leadership, Texas businesses have thrived, and we value your commitment to transparency and fairness. Thank you for your continued support. We appreciate your attention to this matter and kindly urge you to support the removal of the amendment.

Thank you for your consideration.

