



December 4, 2025

Mr. Brian Schorr
Chair, Investor Advisory Committee
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: December 4th Meeting of the Investor Advisory Committee

Dear Mr. Schorr:

The American Securities Association¹ (ASA) submits these comments in connection with the scheduled December 4th meeting of the Securities and Exchange Commission's (SEC) Investor Advisory Committee (IAC).

The agenda for that meeting includes (1) A panel discussion about ongoing changes in corporate governance and the SEC's proxy rules; (2) A panel discussion about tokenization in the equities markets; and (3) An examination of a draft IAC recommendation for mandated corporate disclosure regarding the use of artificial intelligence (AI) and the impact of AI on an issuer's operations. The ASA wishes to provide our perspective on all three of these topics in advance of the meeting.

1. The SEC's Proxy Voting Rules are Undergoing Necessary Changes

Over the last 15 years, one of the more troubling developments in the U.S. capital markets has been the increasing politicization of the proxy system. Professional activist groups have aligned with proxy advisors and ratings agencies to weaponize SEC governance rules. Their goal was to force companies to advance political and social agendas that are unrelated to, and often in direct conflict with, shareholder interests.

Too often, prior SEC leadership sided with these activists, against investors, making it easier to submit immaterial shareholder proposals that cost shareholders millions to address. For example, Staff Legal Bulletin 14L (issued by the SEC in 2021) forced companies to include with their proxy materials proposals that dealt with issues of a "broad societal impact," regardless of

¹ [ASA](#) is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.





whether an issue had *any* connection to the underlying company. Unsurprisingly, this position led to a significant increase in politicized proposals and a waste of shareholder resources.²

Under acting Chair Uyeda and now Chairman Atkins, the SEC is finally reversing course and restoring a level of rationality to the shareholder proposal system. Earlier this year, the SEC issued an updated staff bulletin that repealed SLB 14L and made clear that topics contained within a shareholder proposal must have *some* business connection to the underlying company.³ The SEC also indicated in its recent regulatory agenda that a notice-and-comment rulemaking regarding shareholder proposals is expected in the coming months.

It is unfortunate, but not surprising, that the same professional activists that abused this system are now trying to preserve the status quo they have benefited from. The ASA hopes the IAC uses the December 4th meeting as an opportunity to further examine the legacy costs that the shareholder proposal system has imposed on working families, savers and retirees – especially those investors who routinely vote against politicized proposals. If it does, then the IAC can help make a useful contribution towards Chairman Atkins' goal of de-politicizing the U.S. proxy system.

2. Tokenization of Equities

The ASA appreciates that the IAC is examining the rapidly evolving issue of tokenization within the equity markets - a development that has profound implications for investors, market intermediaries, and regulatory oversight. The expansion and availability of new technologies is transforming how securities are issued, held, and traded, creating new opportunities but also new risks that demand continuous evaluation by the SEC.

As the IAC considers potential recommendations to the SEC regarding tokenization, it is essential to identify and address any emerging gaps in regulation that could occur if regulatory oversight fails to keep up with the pace of innovation. The SEC must ensure *all* regulated entities in this space are subject to the same set of standards and rules, and that unregulated actors are not permitted to perform the same tasks as regulated entities. Allowing unregulated actors to perform the same functions as regulated entities would undermine investor protection, distort competition, and erode confidence in both market integrity and new financial technologies. Such an outcome would also harm investors, create an unlevel playing field for regulated firms, and erode investor confidence in new technologies.

3. Draft Recommendation for Mandated Issuer Disclosure Regarding AI

² Commissioner Mark Uyeda remarks before the Society for Corporate Governance (June 2023) [SEC.gov | Remarks at the Society for Corporate Governance 2023 National Conference](https://www.sec.gov/recordings/remarks/2023-06-20/uyeda-remarks) (Noting environmental + social proposals increased by 52% along with a 125% increase in such proposals voted on)

³ <https://www.sec.gov/about/shareholder-proposals-staff-legal-bulletin-no-14m-cf>





The ASA is concerned about the draft recommendation regarding AI disclosure that has been noticed with the December 4th meeting. We refer IAC members to Chairman Atkins' December 2nd speech, in which he discussed the current problems with the SEC's disclosure regime:⁴

"These decades of accretive [disclosure] rulemakings have produced reams of paperwork that can do more to obscure than to illuminate. Today's lengthy annual reports and proxy statements impose substantial costs on companies because they consume significant time from boards and management, and require armies of specialized lawyers, accountants, and consultants to prepare. Despite these costs, investors sometimes do not benefit from the information because they struggle to parse and understand it—or find it so intimidating because of the volume and density that they ignore it."

Chairman Atkins also emphasized the critical importance of the materiality standard which continues to guide corporate disclosure. The type of prescriptive, one-size-fits-all disclosure envisioned by the draft recommendation typically leads to large volumes of disclosure, that are not material to making an investment decision.

If issues involving the use or impact of AI on issuers is material to a company, they are already required under current law to provide such disclosure to investors. And companies can currently provide this information in a way that is relevant to their business. The push for standardized disclosure to provide "comparability" across issuers sounds reasonable, but in practice it leads to stale or boilerplate information that is of little use to investors and only serves to empower a professional class of attorneys who have profited for far too long from needless regulation.

Accordingly, we urge the IAC to withdraw its draft recommendation, stop trying to enrich the professional class elites who profit from this type of costly regulation, and that public companies have ongoing obligations to provide timely, accurate, and transparent disclosure of material information as it happens.

Conclusion

The ASA appreciates the opportunity to submit these views to the IAC. We look forward to serving as a resource for the IAC and SEC on all of these topics moving forward.

Sincerely,

Christopher A. Iacovella

Christopher A. Iacovella
President & Chief Executive Officer
American Securities Association

⁴ <https://www.sec.gov/newsroom/speeches-statements/atkins-120225-revitalizing-americas-markets-250>

