



Our Shareholder Rights are at Risk; Action Requested!

This is an urgent call to action for all clients.

The current Republican dominated SEC (Securities and Exchange commission) are considering sweeping changes to the regulations which govern the shareholder proposal process. As you know, the shareholder proposal process is important to our work as investors concerned with the impact our money can have in our current capitalist market system. They allow us to engage with the public companies we invest in, share our concerns with them regarding

their practices, and authorizes your investment managers to vote your proxies according to a specific set of social guidelines.

These proposed changes, if passed, will limit our ability to engage in these processes and will negatively impact small investors ability to voice their concerns to the companies we all invest in. It will also continue this administration's goal to reverse the trend of increased transparency these corporations have become increasingly accustomed to operate in. A trend that has been hard fought by our industry over a great many years!

The rules at issue have been in place for over 70 years, have been reviewed regularly, and have been deemed appropriate to remain in place AS IS. They have been a very effective check on CEOs mismanagement, risk mitigation, and addressing issues such as sustainability, governance and human rights. There is no legitimate reason to make this change now; rather, they are the result of large industry association influence, not everyday investors like you and me.

The two Democratic commissioners (Allison Lee and Robert Jackson) on the SEC have blasted the proposed changes as a power-grab by corporate CEOs. "The bottom line is that today's proposals would shift power away from shareholders and towards management," said Commissioner Lee. While we have strong support from these commissioners, they are outnumbered by the Republican commissioners 3 – 2. We need your help to stop these changes!

What can you do?

We need your voice! There are two ways to be heard:

Go [here](#) to sign Green America's petition to the SEC. This is the quickest and easiest choice, but slightly less impactful than option 2.

First Affirmative, on behalf of your investments, sent a letter to the SEC on Jan 3rd voicing strong opposition to the adoption of these rules. In addition, they have drafted a template that can be either sent in as written, or individualized as needed. Contact me if you would like a copy of this letter and instructions on where to send it. I am available to help you get this completed!

The SEC is accepting comments up to February 3rd, 2020, so both will need to be completed by this date.

Want to read the details of the proposed changes? Go [here](#) to read the particulars.

Confused about Recent Emails/Mails on Negative Consent?

Most of you have probably already received a DocuSign email request from Folio Institutional changing your advisory agreement from one of positive consent to one of negative consent. In addition, KMS Financial Services, Inc. (KMS), the SEC-registered investment advisory firm with whom I am affiliated, has also mailed a request for you to sign your consent to change from a positive consent to a negative consent. For those that don't sign this letter, a negative consent will be mailed in February; this one does not require your signature. Confused yet?

KMS recently announced that its parent company, Ladenburg Thalmann Financial Services Inc. (LTFS), has entered into a merger agreement with Advisor Group, Inc. (AG). Headquartered in Phoenix, Arizona, AG is one of the nation's largest networks of independent financial advisors serving more than 7,000 advisors nationwide.

Though its owner is changing from LTFS to AG, KMS will continue to be based in Seattle with its current staff, and its name will remain KMS Financial Services, Inc.

Most importantly, this merger agreement will not affect my relationship with you as my valued client. You will continue to work with me, and your accounts will continue to be held by the same custodian(s). I will continue to provide you with objective investment strategies and advice to help you meet your individual financial goals.

You should receive a letter from KMS in mid-January providing some of this same information and seeking your consent to continue your existing Investment Advisory Agreement(s) with me and KMS. Regulators require that we send you this notice when there is a change in ownership of an investment advisory firm.

I very much appreciate the opportunity to serve your investment and financial planning needs, and I trust you will elect to continue our relationship by completing the DocuSign from Folio Institutional, and signing and sending in the KMS consent in the postage-paid envelope included with the letter. If it's more convenient, you can email me a copy of that consent form and I will send it to KMS on your behalf.

If you have questions or concerns, please do not hesitate to contact me at my office here in Eugene.

Member, First Affirmative Financial Network.

KMS Financial Services, Inc., is a Seattle-based broker-dealer and investment advisory firm serving clients through a network of more than 300 investment professionals nationwide.

Securities and advisory services offered through KMS Financial Services, Inc. Member FINRA/SIPC and an SEC Registered Investment Advisor. Hathaway Financial Services and KMS are separate and unaffiliated. Hathaway Financial Services is not a registered investment advisor or broker-dealer.

©2020 Hathaway Financial Services | 399 E. 10th, #111 | Eugene, OR | 97401 | 541.345.4400
www.hathawayfinancialservices.com

[Web Version](#)

[Preferences](#)

[Forward](#)

[Unsubscribe](#)

Powered by [Mad Mimi®](#)

A GoDaddy® company