



Ethic\$

For investors who envision a better world

Spring 2019

Activism through Shareholder Advocacy in 2019

By Brianna Harrington

INSIDE:

Shareholder
Advocacy
[page 1](#)

Office Updates
[page 2](#)

Important
Reminders
[page 2](#)

“What the H?!”
[page 3](#)

Wine Country
Fires
[page 3](#)

We have hit the ground running! After filing and co-filing 16 resolutions for the 2019 proxy season, we already began receiving responses from companies, requests for dialogue and (*surprise, surprise!*) No-Action Requests (NARs)* from corporate attorneys in December of 2018! We are hard at work – and so is our attorney, Sanford Lewis – fighting back, as well as engaging in dialogue with the companies that have requested to speak with us.

Some companies, such as Goldman Sachs (GS), McDonald’s (MCD) and Coca-Cola (KO), have sent us NARs but have *not* requested any dialogue regarding the proposals. Some of the companies that have been “generous” enough to reach out to discuss our resolutions have been Scotiabank (BNS), Wells Fargo (WFC), Citigroup (C), TJX Companies, Inc. (TJX), PepsiCo (PEP), Amazon (AMZN) and Verizon (VZ).

Although most of the outreach by corporations initially could be interpreted as an indication of openness and a willingness to compromise, generally, it’s a mere formality and an attempt to use their best PR tactics, an opportunity to tout the company’s “wonderful deeds, accolades and outstanding policies” and hopefully persuade proponents to withdraw their proposal.

PayPal (PYPL), Alphabet (GOOGL), Facebook (FB) and Kohl’s (KSS) are some of the companies at which we have filed or co-filed resolutions who have yet to respond. We *do* expect that they will, more than likely, send us NARs to challenge our resolutions at the SEC – it is unusual for a company not to issue a challenge, allowing a resolution to remain on their proxy material and shareholder ballot.

Some of the topics of our proposals submitted to companies for inclusion in their proxy materials for 2019 include Human and Indigenous Peoples’ Rights, Fiduciary Duty, Civil Rights and Privacy, Censorship and Expression, Nutrition, Health and Safety, Animal Welfare and Lobbying Disclosure.

For details on each of the resolutions filed and co-filed by HII, please visit our website at: harringtoninvestments.com/advocacy/shareholder-resolutions/

***No-Action Requests are what [corporate] attorneys send to the Securities and Exchange Commission (SEC), as well as sending a copy to the proponent who submitted the resolution, requesting that the SEC allow the company to omit a proposal from their proxy material and shareholder ballot, and give their best excuse – things like “substantially implemented” and “ordinary business” are some of the common ‘reasons’ attorneys use to support the argument for exclusion.**

Office Updates

by Holly Davis

❖ *Beneficiaries – Are They Correct?*

It is important that you to periodically check the beneficiaries listed on your Schwab account(s). Life brings many changes – births, deaths, establishing Trusts, new friends, marriages, divorces, change of address for your beneficiaries, the list goes on. It's important that you check your designated Beneficiaries to make sure the correct person(s) are named along with the correct information and percentage(s) for each. Making changes is simple. You can do it yourself by logging into your Schwab account, or we can assist you by completing the appropriate form for your signature, or you can call Schwab.

❖ *Have you changed your address?*

If so, please remember to update your records with Schwab. We cannot do this for you. It is very important that you keep your address up to date. If Schwab mails you information and that mail is returned, Schwab will lock your account until the updated information is provided. Generally, Schwab mailings will not be forwarded. You can do this by calling Schwab directly or logging into your account on-line and making the change.

❖ *Authorized Persons on Your Account with HII*

Harrington Investments, Inc. (HII) keeps a list of persons you authorized us to speak with regarding your account. These persons do not have authority to move money, make trades, or make changes to your account. We suggest your CPA (or bookkeeper) and your Estate Attorney be listed (if you have them). You can also authorize a one-time connection with someone. You can do this either by e-mailing or calling us with the name of the person. If you want to know who is listed or need to update the information, please contact Holly Davis by calling the office or e-mailing her at holly@harringtoninvestments.com.

Important Reminders

– Cybersecurity –

Beware!

We need your help to protect you.....

In this era of cybersecurity, we (and Schwab) do what we can to protect you, our clients, and keep your accounts and personal information safe. One of the many ways you can help is by **NEVER** putting full account numbers or personal information such as SSN, etc. in e-mails.

Note:
Please visit our website for our hours and holiday schedule.

“What the H?!?”

A Rant by Capital H (John)

Facial Rekognition, Authoritarian Control and Unintended Consequences

Many years ago, I wrote several reports for the California Legislature identifying U.S. corporations that were the financial, industrial, and technological backbone of the brutal racial system of apartheid, and California public investments in those companies. The heart of South African apartheid was control of the majority non-white population based on a government identification pass system. The pass was a photo identification booklet everyone was required to carry at all times to move throughout the country; from African townships to affluent suburbs and cities, and from townships to the mines. The pass carried all personal data and information necessary for identification and control, instrumental for the police, military, and corporate control of human beings for labor.

Now the largest and most powerful technology corporations in the world have developed the new pass: facial recognition technology, so that the state and corporate providers can supply governments the most sophisticated authoritarian control system known to humankind. This will provoke an almost unlimited number of unintended consequences, black swans, or what the former U.S. Secretary of Defense called “the unknown unknowns, the ones we don’t know we don’t know.”

Now governments can not only track and spy on immigrants, so-called malcontents, protestors, the unwashed, and the unwanted, “ordinary” citizens, on law enforcement, on our security apparatus, on the tormentors and the tormented, the seen and unseen, in short, on everyone and for many reasons. This often-unreliable technology will be spread far and wide, including the tracking of potential retail customers and unsuspecting consumers, now subjected to unrelenting, ubiquitous and anonymous surveillance collected in massive amounts of data to join other data already collected and stored for mass and targeted advertising and marketing purposes. Identity data is to exploit for money, for avarice, and excessive materialistic self-interest. There will be no end, for it has already begun and we have no idea where it will lead, but almost inevitably to a multiple of unknown consequences.

Already government agencies install “security” and “traffic” cameras everywhere. Something, as important as our identity, is being exploited every day. It is insidious, invasive, ubiquitous and arbitrary. There is no right of “opting out”. Privacy should be a human right, but there is none.

(HII has introduced one of two shareholder resolutions at Amazon (AMZN) on facial recognition technology.)

Wine Country Fires

– Update –

John and Diana Harrington lost their home and possessions in the Atlas Fire of October 2017. While rebuilding their home on Atlas Peak has been an aspiration ever since the loss, they recently made the difficult decision to put the rebuilding project on hold for a variety of reasons, including continued lack of fire safety, insurance restrictions and availability and extremely high and increasing rebuilding costs.

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“Human capital will go where it is wanted and stay where it is well treated. It cannot be driven; it can only be attracted.”

– *Walter Wriston*
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