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United States Senate
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
WASHINGTON, DC 20510–6125
WEBSITE: https://commerce.senate.gov

October 27, 2026

Mr. Bob Mann
Chief Executive Officer
Glass, Lewis & Co.
255 California Street, Suite 1100
San Francisco, CA 94111

Dear Mr. Mann:

As Chairman of the U.S. Senate Committee on Commerce, Science and Transportation (Committee), I write to express my concern over previous reporting suggesting that Glass, Lewis, & Co. LLC (Glass Lewis) and Institutional Shareholder Services (ISS) may be using their dominant positions in the proxy advisory industry to improperly influence shareholder votes.[1]

Shareholders—including influential institutional investors like mutual funds and pension plans—possess rights to vote on important corporate decisions, such as executive compensation or a change in a company's state of incorporation.[2] Given the high volume of annual shareholder proposals, institutional investors rely on proxy adviser firms, like your own, to provide objective recommendations on how they should vote.[3] While Glass Lewis publicly commits to issuing advice on the merits of each proposal, the firm relies on ideological factors, including diversity, equity, and inclusion (DEI) and environmental, social, and governance (ESG), rather than what is solely in the clients' best financial interest.[4]

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[1] *See* Collin Eaton, *Exxon Blasts Proxy Advisers for Conflict of Interest in Fight Over Texas Move*, WALL ST. J. (May 21, 2026), https://www.wsj.com/business/energy-oil/exxon-blasts-proxy-advisers-for-conflict-of-interest-in-fight-over-texas-move-445db9db; Editorial Bd., *Did a Proxy Adviser Lie to Investors?*, WALL ST. J. (May 21, 2026), https://www.wsj.com/opinion/did-a-proxy-adviser-lie-to-investors-2e02f2e4.

[2] JAY B. SYKES, CONG. RSCH. SERV., IF13186, CORPORATE GOVERNANCE (Mar. 18, 2026), https://www.congress.gov/crs-product/IF13186; David F. Larcker, et al., *The Big Thumb on the Scale: An Overview of the Proxy Advisory Industry*, HARV. L. SCH. F. ON CORP. GOVERNANCE (June 14, 2018), https://corpgov.law.harvard.edu/2018/06/14/the-big-thumb-on-the-scale-an-overview-of-the-proxy-advisory-industry/.

[3] *See* Larcker, *supra* note 2; Ali Perry, et al., *2026 Annual Report and Proxy Season: Proxy Voting Matters*, HARV. L. SCH. F. ON CORP. GOVERNANCE (Dec. 15, 2025), https://corpgov.law.harvard.edu/2025/12/15/2026-annual-report-and-proxy-season-proxy-voting-matters/.

[4] *See Proxy Voting Practices*, GLASS LEWIS (Nov. 25, 2025), https://www.glasslewis.com/article/personal-commitment-change-proxy-voting-practices; GLASS LEWIS, 2026 BENCHMARK POLICY GUIDELINES at 26, https://resources.glasslewis.com/hubfs/2026%20Guidelines/Benchmark/Benchmark%20Policy%20Guidelines%202026%20-%20United%20States.pdf; GLASS LEWIS, SUPPLEMENTAL STATEMENT ON DIVERSITY CONSIDERATIONS AT U.S. COMPANIES (Mar. 2025), https://resources.glasslewis.com/hubfs/Supplementary%20Guidance/2025%20Supplemental%20Statement%20on%20Diversity%20Consideration%20at%20US%20Companies.pdf.

As you know, in advising clients on proposals for reincorporation, Glass Lewis believes that "the board is in the best position to determine the appropriate jurisdiction of incorporation."[5] In November 2025, my home state of Texas reached a record milestone of having over three million active Texas businesses, including several major companies that reincorporated in the more business-friendly Lone Star State after having fled increasingly anti-business blue states.[6] For example, after an activist Tesla investor with just nine shares brought a lawsuit to invalidate a compensation package for CEO Elon Musk, costing shareholders $70 million in legal fees, Tesla departed Delaware for Texas in 2024.[7] On May 27, 2026, ExxonMobil (Exxon) became the latest major company to reincorporate into Texas, with over 70 percent of shareholders voting to approve the move.[8]

Despite broad support from both corporate boards and shareholders, Glass Lewis has opposed eight Texas reincorporation proposals reviewed since May 2025.[9] Glass Lewis's purported reason for opposing reincorporation proposals is its concerns that Texas state law unduly restricts shareholder rights.[10] Section 21.373 of the Texas Business Organizations Code allows companies to set a threshold of up to three percent, or $1 million in market ownership, in order to bring a shareholder proposal.[11] Your argument, however, is betrayed by your record.[12] For example, Glass Lewis opposed the Exxon and Texas Capital Bancshares proposals to reincorporate into Texas even though both companies excluded changes to shareholder rights.[13] Your firm also opposed logistics company ArcBest's proposal, which would have prohibited the company from adopting Texas's increased thresholds for shareholder proposals.[14]

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[5] GLASS LEWIS, 2026 BENCHMARK POLICY GUIDELINES, *supra* note 4, at 75.
[6] Press Release, Off. of Tex. Governor Greg Abbott, Governor Abbott Celebrates Over 3 Million Active Texas Business Entities (Nov. 5, 2025), https://gov.texas.gov/news/post/governor-abbott-celebrates-over-3-million-active-texas-business-entities.
[7] Randall Chase, *Delaware Judge Reaffirms Ruling that Invalidated Massive Tesla Pay Package for Elon Musk*, AP (Dec. 2, 2024), https://apnews.com/article/tesla-elon-musk-executive-pay-compensation-shareholders-86c5811b738e3a9df2b6e4adbcd055bb; Tom Hals, *Tesla Persuades Delaware's Top Court to Slash Legal Fees in Director Pay Lawsuit*, REUTERS (Jan. 30, 2026), https://www.reuters.com/legal/government/tesla-persuades-delawares-top-court-slash-legal-fees-director-pay-lawsuit-2026-01-30/; Theo Francis, *The Big Loser in Tesla's Shareholder Vote is Delaware*, WALL ST. J. (June 16, 2024), https://www.wsj.com/business/tesla-texas-incorporation-delaware-edcbd0dd.
[8] Collin Eaton, *Exxon Shareholders Approve Moving Legal Home to Texas*, WALL ST. J. (May 27, 2026), https://www.wsj.com/livecoverage/stock-market-today-dow-sp-500-nasdaq-05-27-2026/card/exxon-shareholders-approve-moving-legal-home-to-texas-Nc3jXyoB4LDJyBbSlsG8.
[9] Michael Toth*, Proxy Advisors Vote "No" on Texas*, CIVITAS OUTLOOK (May 21, 2026), https://www.civitasoutlook.com/research/proxy-advisors-vote-no-on-texas-6a7a6370-fa95-4863-a77b-049cf822ae27.
[10] *See* Sasha Richie, *Texas Capital to Stay Incorporated in Delaware after Dexit Vote Fails*, DALLAS MORNING NEWS (Apr. 24, 2026), https://www.dallasnews.com/business/banking/article/texas-capital-stay-incorporated-delaware-dexit-22222952.php; Exxon Mobil Corp., Schedule 14A Proxy Statement at 1–2 (May 12, 2026), https://investor.exxonmobil.com/sec-filings/all-sec-filings/content/0001193125-26-219320/0001193125-26-219320.pdf.
[11] TEX. BUS. ORG. CODE ANN. § 21.373 (e)(1)(A) – (B) (West 2025).
[12] Toth, *supra* note 9.
[13] Shane Goodwin, *Read the Fine Print: What ExxonMobil's Proxy Actually Says About Texas Redomiciliation*, SMU HILLTOP F. (May 13, 2026), https://www.smu.edu/cox/hilltop-forum/forum/exxonmobil-proxy-texas-redomiciliation; Richie, *supra* note 10.
[14] Toth, *supra* note 9.

Reportedly absent from Glass Lewis's proxy advice is any disclosure that the firm is being investigated for potential violations under Texas consumer protection laws.[15] In September 2025, Texas Attorney General Ken Paxton launched an investigation into Glass Lewis and ISS for misleading clients with voting recommendations made in pursuit of left-wing political agendas.[16] On May 20, 2026, the Texas Attorney General, and the state attorneys' generals of Iowa, Nebraska, and West Virginia, sued ISS for alleged violations under state consumer protection laws.[17] According to the lawsuits, ISS misled clients by failing to disclose it took direction from ESG investors, citing one example in which a senior ISS analyst suggested her team "frame it as something that we agree would be good for shareholders."[18]

Glass Lewis also commits to provide "prominent disclosures" of potential conflicts that are "material to assessing the objectivity of its research and advice."[19] Despite this commitment, Glass Lewis failed to disclose its lawsuit against the Texas Attorney General regarding the state's proxy advisor law, commonly referred to as S.B. 2337, in its recent proxy advice on Exxon's reincorporation proposal.[20] According to Glass Lewis, disclosure of the lawsuit was not necessary because its assessment of reincorporation proposals is "entirely separate" from the Texas lawsuit.[21]

Fortunately, Glass Lewis's misinformed advice failed to be persuasive as Exxon shareholders supported the company's proposal to reincorporate into Texas.[22] Given the allegations against your firm, however, I am concerned Glass Lewis may be prioritizing political objectives over the

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[15] Editorial Bd., *supra* note 1; Press Release, Ken Paxton, Att'y Gen. of Tex., Att'y Gen. Ken Paxton Investigates Proxy Advisors Glass Lewis and ISS for Misleading Public Companies to Push Radical Agenda (Sept. 16, 2025), https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-investigates-proxy-advisors-glass-lewis-and-iss-misleading-public.

[16] *Id.*

[17] Lamar Johnson, *Proxy Advisor ISS Sued by 4 Republican AGs Over ESG*, ESG DIVE, https://www.esgdive.com/news/proxy-adviser-iss-sued-by-4-republican-ags-over-esg-board-recommendation-voting-policies/821124/ (May 26, 2026).

[18] Compl., *Neb. v. ISS*, Case No. D02CI260001712 at ¶ 21 (D. Ct. Lancaster C'nty May 20, 2026), https://ago.nebraska.gov/sites/default/files/doc/Court%20Filing_24.pdf; Editorial Bd., *supra* note 1.

[19] GLASS LEWIS, POLICIES AND PROCEDURES FOR MANAGING AND DISCLOSING CONFLICTS OF INTEREST, at 3 (Dec. 2025), https://resources.glasslewis.com/hubfs/Compliance/2025%20Policies%20and%20Procedures%20for%20Managing%20and%20Disclosing%20Conflict%20of%20Interests.pdf.

[20] Editorial Bd., *supra* note 1. S.B. 2337 requires proxy advisers to provide financial analyses of non-financial advice on DEI and ESG matters and to disclose that its advice is not provided solely in the financial interests of clients. While a federal district court enjoined Texas from enforcing S.B. 2337 against Glass Lewis, the suit is ongoing. *See* TEX. BUS. ORG. CODE ANN. §§ 6A.001 – 6A.202 (West 2026); *Texas Court Blocks Enforcement of New Texas Proxy Advisor Law Against ISS and Glass Lewis*, GIBSON DUNN, https://www.gibsondunn.com/texas-court-blocks-enforcement-of-new-texas-proxy-advisor-law-against-iss-and-glass-lewis/ (Aug. 30, 2025); *Glass Lewis & Co., LLC v. Paxton* (1:25-cv-01153) (W.D. Tex. Feb. 2, 2026).

[21] Eaton, *supra* note 1.

[22] *Id.*; Eaton, *supra* note 8; Shane Goodwin, *Read the Fine Print: What ExxonMobil's Proxy Actually Says About Texas Redomiciliation*, SMU HILLTOP F. (May 13, 2026), https://www.smu.edu/cox/hilltop-forum/forum/exxonmobil-proxy-texas-redomiciliation.

best financial interests of its clients.[23] These allegations also raise questions about whether Glass Lewis is engaging in anticompetitive conduct or unfair or deceptive acts or practices in violation of federal antitrust or consumer protection laws.

The Standing Rules of the Senate grant the Committee jurisdiction over the regulation of interstate commerce, including the ability to comprehensively "study and review" all matters relating to "consumer affairs."[24] To assist the Committee's oversight, please provide the requested documents and written responses to the questions below no later than November 10, 2026, in accordance with the attached instructions:

(1) Please explain all factors that Glass Lewis considers in its "case-by-case" analysis of reincorporation proposals and how it determines whether reincorporation is in the "long-term best interests of the company and shareholders"?[25] How does Glass Lewis weigh such factors in making a proxy recommendation for reincorporation?

    a. Please provide copies of all methodologies, draft analyses, and final recommendations issued to clients regarding reincorporation proposals from January 2025 to present.

(2) How, if at all, does Glass Lewis apply its conflicts-of-interest policy to its assessment of reincorporation proposals?

    a. Please provide a copy of Glass Lewis' most recent conflicts-of-interest policy and any written guidance issued to employees on adherence to this policy.

(3) How does Glass Lewis keep assessments regarding Texas reincorporation proposals "entirely separate" from its lawsuit challenging S.B. 2337?[26] Does Glass Lewis plan to disclose its litigation in Texas when evaluating future reincorporation proposals?[27]

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[23] *Id.*; *see* Letter from Rep. Ronny L. Jackson; Rep. Jake Ellzey; Rep. Beth Van Duyne; Rep. Pat Fallon; Rep. Keith Self; Rep/ Troy Nehls; Rep. Wesley Hunt; Rep. Chip Roy; Rep. Roger Williams; Rep Lance Gooden; Rep. August Plfluger; Rep. Nathan Moran; Rep. Craig Goldman; Rep. Michael Cloud; Rep. Randy Weber; Rep. John Carter; Rep. Brandon Gill, and Rep. Monica De La Cruz, to the Hon. Andrew F. Ferguson, Chairman, Fed. Trade Comm'n, and the Hon. Todd Blanche, Acting Att'y Gen. of the U.S. (July 17, 2026), https://jackson.house.gov/uploadedfiles/7.17.26_letter_to_ftc_and_doj_re_proxy_advisors.pdf; Benjamin P. Edwards, *Mid-April 2026 Reincorporation Update*, BUS. L. PROF BLOG (Apr. 13, 2026), https://www.businesslawprofessors.com/2026/04/mid-april-2026-reincorporation-update/.

[24] *See* S. Rules XXV(1)(f)(1)(6); XXVI (1)(f)(2).

[25] Glass Lewis, *supra* note 4; Sam Nolledo, et al., *The State of US Reincorporations, Part II: Post-Proxy Season 2025*, GLASS LEWIS (Mar. 25, 2026), https://www.glasslewis.com/article/the-state-of-u-s-reincorporations-part-ii-post-proxy-season-2025.

[26] Eaton, *sup*ra note 1.

[27] *See* Benjamin P. Edwards, *Mid-April 2026 Reincorporation Update*, BUS. L. PROF BLOG (Apr. 13, 2026), https://www.businesslawprofessors.com/2026/04/mid-april-2026-reincorporation-update/.

(4) In its process of assessing reincorporation proposals from January 2025 to present, has Glass Lewis ever formally or informally communicated with any state government officials or institutional investors? If so, please provide—

a. the specific reincorporation proposal being considered;
b. the name(s) of the state government official(s) or institutional investor(s) ISS engaged with;
c. the date of the engagement, and
d. a summary of what was discussed.

Thank you for your attention to this matter. If you have any questions, please contact Sean Brebbia on my Committee staff at Sean_Brebbia@commerce.senate.gov.

Sincerely,

Ted Cruz
Chairman