

January 14, 2020

Chairman Brad Smith
Intuit Inc.
2700 Coast Ave
Mountain View, CA 94043

President and CEO Sasan Goodarzi
Intuit Inc.
2700 Coast Ave
Mountain View, CA 94043

RE: Intuit Forced Arbitration Shareholder Proposal

Dear Mr. Smith, Mr. Goodarzi, and Members of the Board of Directors:

Many of our organizations represent everyday investors, consumers, and workers, countless numbers of whom turn to our nation's capital markets to save for retirement and other long-term goals. And all of our organizations seek to preserve people's right to seek justice in court. Our constituencies rely on securities laws—and the right to enforce those laws—in order to deter financial fraud, protect the integrity of U.S. markets, and seek accountability when harmed. We write on their behalf in hopes of ensuring that you do not make a major and unprecedented change in your bylaws that would force everyday investors, consumers, or workers into a system that strips them of their fundamental rights to hold Intuit accountable in a court of law for wrongdoing against shareholders and customers. We are deeply concerned about Intuit's decision to include a forced arbitration shareholder proposal on the ballot, and we urge the bylaw's rejection.

The shareholder proposal, which will be voted on this month at Intuit's annual meeting, would force all shareholder disputes into individual, forced arbitration at one pre-determined private arbitration firm (the American Arbitration Association). This would destroy investors' ability to recover losses and would seriously erode investor confidence in the integrity of the markets. Forcing defrauded investors to arbitrate their claims individually would effectively eliminate both the deterrent effect of class-action shareholder lawsuits and the opportunity for these defrauded investors to recover their losses, because these types of cases are too complex, and the costs of discovery and expert testimony are too high, for any one investor to go it alone against a major corporation. To add insult to serious injury, forced arbitration proceedings are typically conducted in secret, allowing systemic wrongdoing to fester outside of the public's eye. In addition, proceedings are not recorded, there is no requirement that arbitrators follow legal precedent or publish written opinions explaining their reasoning, discovery rights are limited, and arbitration decisions are virtually impossible to appeal.

History has demonstrated that government intervention alone is an insufficient remedy to ensure corporate accountability, which is why the U.S Securities and Exchange Commission (SEC), Congress, and the courts have long recognized the important role that private lawsuits play in both deterring fraud and compensating defrauded investors without always having to rely upon government action. The government is not equipped to hold every company accountable and return ill-gotten gains to investors. Private actions, however, are a better mechanism to hold companies accountable for wrongdoing and recouping money for everyday investors. For example, in five large securities fraud scandals, SEC enforcement actions recovered a total of

\$1.75 billion, while private actions recovered a total of \$19.4 billion. Federal securities class actions have returned more than \$100 billion to defrauded investors in the past 20 years.

This shareholder proposal would deprive all Intuit investors and customers of their rights to hold Intuit publicly accountable in a court of law, at a time when Intuit's TurboTax program is currently facing investigations and litigation, after disturbing allegations emerged that the tax preparer defrauded consumers into paying to file their taxes when they were eligible to file for free. Especially troubling are reports that the company targeted deceptive practices towards members of the military and low-income families. Additionally, Intuit's cyber security protocols and its ability to protect sensitive consumer data have been called into serious question. These allegations and actions could be hidden from investors with few repercussions if all shareholders' disputes were forced into individual, private arbitration.

Thank you for the opportunity to share our serious concerns about the forced arbitration shareholder proposal. We hope that you as Intuit's Board of Directors and, ultimately Intuit's shareholders, will do the right thing, by **voting against the proposal** and preserving everyday investor rights and the integrity of the nation's capital markets.

Sincerely,

AFL-CIO

AKPIRG

Alliance for Justice

Allied Progress

American Association for Justice

AFSCME

Americans for Financial Reform Education Fund

Arkansas Against Abusive Payday Lending

Better Markets

Center for Economic Justice

Center for Justice & Democracy

Communications Workers of America

Congregation of Sisters of St. Agnes

Consumer Action

Consumer Assistance Council, Inc.

Consumer Attorneys of California

Consumer Federation of America
Consumer Federation of California
Consumers for Auto Reliability and Safety
Consumer Reports
DC Consumer Rights Coalition
Delaware Community Reinvestment Action Council, Inc.
Demand Progress Action
Earthjustice
Fund Democracy
Green Alliance
Impact Fund
Justice Catalyst Law
Maryland Consumer Rights Coalition
Montana Organizing Project
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low income clients)
National Consumers League
National Employment Law Project
National Partnership for Women & Families
New Jersey Citizen Action
New York Public Interest Research Group
Partners in Community Building, Inc.
Pennsylvania Council of Churches
People's Parity Project
Priests of the Sacred Heart, U.S. Province
Protect All Children's Environment
Public Citizen
Public Good Law

Public Justice

R.G. Associates, Inc.

SafeWork Washington

Service Employees International Union

Sisters of St. Francis of Philadelphia

The Interfaith Alliance of Colorado

The One Less Foundation

U.S. Public Interest Research Group

Vermont Public Interest Research Group

Virginia Citizens Consumer Council