



SEC Votes to Codify Longstanding Policy on Shareholder Proposals on Election Procedures

**FOR IMMEDIATE RELEASE
2007-246**

Washington, D.C., Nov. 28, 2007 - The Securities and Exchange Commission today voted to adopt an amendment to Rule 14a-8(i)(8) under the Securities Exchange Act of 1934 to codify the Commission's longstanding interpretation of that rule. This action was taken to provide certainty to shareholders and companies following a 2006 decision by the U.S. Court of Appeals for the Second Circuit which did not defer to the Commission's interpretation of the rule. It will also ensure that current disclosure requirements and antifraud protections aren't upended.

"The decision today maintains the status quo of the past decade, preserving every right that shareholders presently enjoy, while ensuring there is no unintended breach in the disclosure and antifraud protections applicable to proxy contests," said SEC Chairman Christopher Cox. "If the Commission did nothing, then there would be no clear and authoritative interpretation of our rules. And there would be an easy end run around the Commission's required disclosures and our antifraud rules in proxy contests. We owe it to investors and the markets to at least ensure that this does not happen. Now that we have accomplished our investor protection objectives, I believe we can move forward and re-open this discussion in 2008 to consider how to strengthen the proxy rules to better vindicate the fundamental state law rights of shareholders to elect directors."

John White, the Director of the Division of Corporation Finance, noted, "I believe that investors, registrants and the staff of the Commission will all benefit from the certainty that the rule clarification the Commission adopted today will provide. This step is critically important to the application of the proxy rules for the upcoming annual meeting season."

Rule 14a-8 under the Exchange Act provides an opportunity for a shareholder owning a relatively small amount of a company's securities to submit a proposal for inclusion in a company's proxy materials, provided that the shareholder complies with certain procedural requirements and the proposal does not fall within one of thirteen substantive bases for exclusion. One of the thirteen substantive bases for exclusion, Rule 14a-8(i)(8), permits a company to omit from its proxy materials any proposal that "relates to an election for membership on the company's board of directors or analogous governing body."

The Commission voted to amend the language of the rule to read as follows: "If the proposal relates to a nomination or an election for membership on the company's board of directors or analogous governing body or a procedure for such nomination or election." This language was

not revised from the proposal.

The rule amendment will take effect 30 days after it is published in the Federal Register.

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The full text of the detailed release concerning the rule amendment will be posted to the SEC Web site as soon as possible.

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Modified: 11/28/2007