

Securities Alert: SEC Suspends Effectiveness of Proxy Access Rules

10/5/2010

By [Megan N. Gates](#), [Jonathan L. Kravetz](#), [Pamela B. Greene](#), and [Asya S. Alexandrovich](#)

On October 4, 2010, the Securities and Exchange Commission (SEC) granted a temporary stay of effectiveness of its recently issued final rules facilitating access by shareholders to public companies' proxy statements in order to propose nominees for election to the Board of Directors. The rules were to take effect on November 15, 2010.

The stay of effectiveness of the new proxy access rules stems from a petition filed on September 29, 2010 by the Business Roundtable and the Chamber of Commerce of the United States of America with the United States Court of Appeals for the District of Columbia Circuit, seeking review of these rules. The petitioners also filed with the SEC a motion to stay the effectiveness of newly adopted Rule 14a-11 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pending review of this rule by the Court of Appeals. The SEC granted the motion to stay the effectiveness of Rule 14a-11 and further stayed the effectiveness of the amendments to Rule 14a-8 under the Exchange Act adopted contemporaneously with Rule 14a-11.

Therefore, the effectiveness of the proxy access rules will be delayed pending resolution of petitioners' petition for review of these rules by the Court of Appeals. At this time, we do not know whether proxy access will be effective for the 2011 proxy season. We will continue to update you as we are apprised of further developments.

* * *

Mintz Levin's Securities Practice Group's webinar on the new proxy access rules previously scheduled for October 27, 2010, will be postponed until further notice due to the suspension of effectiveness of the rules that are the subject of the webinar. In the meantime, please contact the Mintz Levin attorney who advises you regarding securities compliance matters if you have any questions regarding these new rules or related matters.

[Click here to view Mintz Levin's Securities attorneys.](#)