

Client Alert

October 4, 2010

For more information, the full text of the Order is available at

<http://www.sec.gov/rules/other/2010/33-9149.pdf>

For additional information, please see our Dodd-Frank Wall Street Reform And Consumer Protection Act website at

<http://www.bakermckenzie.com/financialreform/>

SEC Stays Proxy Access Rules

On October 4, 2010, in response to litigation filed by the Business Roundtable and the U.S. Chamber of Commerce, the SEC granted an order staying the effectiveness of the recently adopted proxy access rules: Rule 14a-11 and related amendments, which would have permitted certain shareholders to include nominees for director in the company's proxy materials, and Rule 14a-8, which would have permitted shareholder proposals to broaden shareholder access to the company's proxy materials.

The purpose of the stay is to avoid unnecessary costs, regulatory uncertainty and a disruption that could occur if the recently adopted rules were to become effective during the pendency of a challenge to their validity. It is anticipated that both parties to the litigation will seek an expedited review of the petition in the U.S. Court of Appeals for the D.C. Circuit. Depending on the length of the review by the Court of Appeals, it is unclear when the proxy access rules would become effective should the SEC prevail in the litigation and which public companies will need to comply this proxy season.

The original rules were scheduled to become effective November 15, 2010. For more information about the proxy access rules, our Client Alert on the subject is available at

<http://www.bakermckenzie.com/alnadoddfrankproxyaccessrealitysep10/>.

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