

SEC Proposes Rule Amendments to Facilitate the Rights of Shareholders to Nominate Directors

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On May 20, 2009, the Securities and Exchange Commission ("SEC" or "Commission"), at an open meeting, voted to publish for comment a comprehensive series of amendments to the proxy rules under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The amendments, if adopted, would facilitate the rights of shareholders to nominate directors on corporate boards. Shareholders would also have the ability to use shareholder proposals to modify a company's nomination procedures or disclosure about elections, so long as those proposals do not conflict with state law or SEC rules. The proposal comes after the newly appointed SEC Chairman Mary J. Schapiro directed the Commission's Staff to draft proposals for rules governing shareholder proxy access.