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Shareholders wouldn't use proxy access powers, group claims

Pension funds, mutual funds and other institutional investors would not take advantage of new powers to nominate directors to corporate boards if the SEC adopts a proposed rule to allow shareholders access to corporate proxy material, according to a comment letter to the SEC by the Committee of Concerned Shareholders.

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"Pension funds have had and have the ability to seek (board of director) and management accountability through inexpensive proxy contests (to nominate directors), but, if the past is prologue, do not have the will to exercise their power," wrote Les Greenberg, chairman of the committee, a shareholder advocacy group.

"Mutual funds will not actively participate in proxy contests even if the proposed rule is enacted," Mr. Greenberg wrote. "It would be detrimental to their financial interests vis-a-vis the financial interests of their public investors."

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The deadline for commenting to the SEC on its proposal is Aug. 17.