

SCC Email Alert  
11/11/2011

**Subject: STA Letter to NASDAQ on Separately Managed Accounts**

Earlier this week, the Securities Transfer Association (STA) sent a letter to the NASDAQ Stock Market (NASDAQ) about proxy fees that are being charged for separately managed accounts sponsored by broker-dealers.

Separately managed accounts are broker-dealer discretionary accounts where an investor delegates investment decision-making and, in most cases, proxy voting authority to an investment adviser.

As noted in an earlier email, the STA is highlighting this problem because issuers are being charged proxy processing, suppression, and other fees at the beneficial owner level, even though the underlying investor does not receive any proxy materials and does not otherwise participate in the proxy voting process. The STA has estimated that more than \$50 million a year is being charged to issuers for these separately managed accounts.

The STA's letter to NASDAQ can be viewed through the following link:  
<http://www.stai.org/pdfs/2011-11-sta-letter-to-robert-greifeld-nasdaq.pdf>

This letter follows an earlier communication sent by the STA to the Financial Industry Regulatory Authority (FINRA) on this same issue: <http://www.stai.org/pdfs/2011-10-ketchum-letter.pdf>

Both NASDAQ and FINRA proxy rules apply to NASDAQ-listed issuers and to broker-dealers which are members of these organizations.

Thank you for your interest in this important proxy fee issue.

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Shareholder Communications Coalition