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## Broadridge competitor slashes fees

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### Mediant clients to pay 25 percent less for proxy processing

Mediant Communications is continuing its challenge to Broadridge Financial Solutions' near lock on the business of distributing proxy materials to beneficial shareholders. Two months ago the firm landed its first broker client, Legent Clearing, and today it announced it would lower proxy processing fees for 'several hundred' issuers with shares held through that broker.

The NYSE reviews the fees that Broadridge, acting on behalf of brokers, may charge listed companies for this work. The basic processing fee is 40 cents per beneficial account, and Mediant has announced a 25 percent discount.

'Fees as set by the NYSE are considered high,' says Arthur Rosenzweig, Mediant's president. 'We believe fees should come down, so we've decided to go lower unilaterally for issuer clients.'

Rosenzweig says he would like to see the end of an era where fees are 'dictated' by regulators, and are instead negotiated by issuers and their brokers or intermediaries. 'Now that there is competition, there is no need for there to be any regulation of fees,' he adds.

Mediant shared the news of the discount with issuers in the weeks leading up to the public announcement. 'We've spoken to issuer clients and they are extremely pleased,' Rosenzweig says.

Jeffrey Morgan, president and CEO of NIRI, notes the development. 'I believe the entry of new service providers into the marketplace, providing choice and competition, is a positive event for customers or, in this case, issuers,' he says.

Morgan and his counterparts at [Business Roundtable](#), the [National Association of Corporate Directors](#), the [Securities Transfer Association](#) and the [Society of Corporate Secretaries and Governance Professionals](#) have raised questions about the lack of competition in proxy services amid a fresh campaign for broader proxy reform.

The groups, comprising the [Shareholder Communications Coalition](#), published a position paper last fall outlining their views of the faults of the current system and urging the SEC to undertake a comprehensive review. 'Technology and the markets have developed a great deal in the past two-plus decades, and I am hopeful the SEC will look seriously at the internal structure or 'plumbing' of the proxy process and the overall ability for issuers to communicate with their shareholders,' Morgan says.

By [Anna Snider](#)

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