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Highlights from the Corporate Secretary East Coast Think Tank

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Fixing proxy plumbing and other messes

A group of corporate secretaries and other governance professionals, many of them in New York for tonight's second annual [Corporate Secretary Magazine Awards](#), gathered today at Bowne's lower Manhattan headquarters for the Corporate Secretary East Coast Think Tank.

First up for discussion was fixing the proxy plumbing – 'not necessarily sexy,' as one panelist commented. But then again, 'People get interested in plumbing when it stops working,' joked Brendan Sheehan, *Corporate Secretary's* executive editor, who moderated the event.

Participants discussed the Shareholder Communications Coalition's proposals, including eliminating the NOBO/OBO distinction, tackling over-voting and empty voting, and regulating the role of proxy advisory firms.

'The SEC has set off down the road of revising the rules,' one speaker commented. Another warned that the NOBO/OBO issue was bound to get pushback from hedge funds and other institutional investors.

'Proxy access and say on pay are all just a dream until the folks in Washington push the buttons,' reminded another expert panelist. 'Then we'll have the foundation and be ready to fix the plumbing.'

When the conversation turned to reimbursing shareholders for proxy fights, as HealthSouth has moved to do, an audience member remarked, 'It will juice the power of activist hedge funds – which doesn't need to be juiced.'

The same holds true for proxy access: 'They don't need it. Hedge funds have their own money and can run their own campaigns.'

Another session focused on the Bank of America and the SEC's lawsuit over disclosure of bonuses paid to Merrill Lynch employees. The case is going to trial after federal judge Jed Rakoff rejected a settlement that both the SEC and BofA had agreed upon.

'It can only be described as a terrible mess,' said one of the panelists at today's think tank. 'Everyone wants out of it except for Judge Rakoff.'

By [Neil Stewart](#)

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