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[ALERT: Legal Challenge To SEC's Recently Adopted Proxy Access Rules](#)

Today, Business Roundtable and the Chamber of Commerce of the United States filed a Petition for Review in the U.S. Court of Appeals for the District of Columbia Circuit challenging the legality of the SEC's recently-adopted proxy access rules (See our blog posts [here](#) and [here](#).) The proxy access rules grant shareholders who have held three percent (3%) of the outstanding stock of a company for at least three (3) years the right to include a limited number of director nominees in the company's proxy statement.

In the petition, Business Roundtable and the Chamber of Commerce claim that the new proxy access rules (i) are arbitrary and capricious and otherwise not in accordance with law, (ii) do not promote efficiency, competition and capital formation, (iii) exceed the SEC's authority, and (iv) violate companies' rights under the First and Fifth Amendments to the U.S. Constitution. The petition asks the Court to hold the new proxy rules unlawful under the Investment Company Act, the Securities Exchange Act and the Administrative Procedure Act, and to compel the SEC to vacate the new proxy rules and issue a permanent injunction prohibiting the SEC from implementing and enforcing the requirements of the rules.

The petitioners have separately asked the SEC to stay the new proxy access rules, including their effective date of November 15, 2010, pending the Court's ruling. The petition indicates that if the SEC declines to stay the new rules, a motion for a stay will be filed with the Court.