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## D.C. Circuit Vacates Proxy Access Rule

**Date:** 07/22/11

The Securities and Exchange Commission ("SEC") adopted Rule 14a-11 of the Securities and Exchange Act of 1934 ("Exchange Act") on August 25, 2010. The rule was intended to provide shareholders with the ability to more effectively nominate and elect directors to the boards of directors of publicly reporting companies. Specifically, the rule would have allowed shareholders holding at least 3% of the outstanding shares of a company continuously for three years to nominate a director for inclusion using the company's proxy solicitation materials. Rule 14a-11 was supposed to become effective in mid-November 2010, but it was put on hold by the SEC, pending the outcome of litigation filed by the Business Roundtable and the U.S. Chamber of Commerce.

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