



SOCIETY OF CORPORATE SECRETARIES
& GOVERNANCE PROFESSIONALS

Society Concept Release Survey

**presented to the
U.S. Securities and Exchange Commission
November 22, 2010**

<http://www.sec.gov/comments/s7-14-10/s71410-276.pdf>

Concept Release Survey – Main Report

	Count	Percent
I am responding as a:		
a. Corporation member	89	94.68 %
b. Law firm member representing primarily mid or small cap companies	5	5.32 %
c. Law firm member representing primarily large cap companies	0	0.0 %
Total Responses	94	100.00 %

What is the size of your company (or if you are a law firm, the companies you typically represent)?

a. large cap (market cap above \$ 10 billion)	37	39.36 %
b. mid cap (market cap \$2 to \$10 billion)	25	26.60 %
c. small cap (market cap below \$2 billion)	32	34.04 %
Total Responses	94	100.00 %

We have arranged the questions by topic so that you may answer only those related to a certain issue by de-selecting topics below. If you do not de-select specific topics, the survey will prompt you for all the questions.

Proxy Advisory Firms	83	11.96 %
Proxy Voting and Distribution	92	13.26 %
Proxy Mechanics-Vote Confirmation	90	12.97 %
Proxy Mechanics-Dual Record Date & Advance Notice of Meeting Agenda	79	11.38 %
Proxy Mechanics-Distribution & Fees	86	12.39 %
Retail Vote Participation	85	12.25 %
Communications with Shareholders - General	94	13.54 %
Communications with Shareholders - NOBO-OBO Classifications	85	12.25 %
Total Responses	694	100.00 %

1. What percentage of your shares are voted in line with proxy advisory firm recommendations?

a. 0 to 5%	1	1.37 %
b. 5 to 10%	5	6.85 %
c. 10 to 20%	16	21.92 %
d. 20 to 30%	22	30.14 %
e. more than 30%	29	39.73 %
Total Responses	73	100.00 %

Count and Percent

Concept Release Survey

2. How would you describe the impact that the recommendations of proxy advisory firms (e.g., RiskMetrics Group, Glass-Lewis, etc.) typically have on the outcome of proposals presented in your company's annual meeting?

	Count	Percent
a. no impact (they influence the votes of 0-5% of shares voted)	2	2.60 %
b. modest impact (they influence the votes of 5-10% of shares voted)	12	15.58 %
c. material impact (they influence the votes of 10% or more of shares voted)	63	81.82 %
Total Responses	77	100.00 %

3. Has the anticipated or final voting recommendation of one or more advisory firms been solely responsible for your company's decision to withdraw or modify a proposal on a corporate governance or compensation matter?

a. yes	39	49.37 %
b. no	40	50.63 %
Total Responses	79	100.00 %

4. If you answered "yes" to the above question, the primary reason for doing so was because:

a. the recommendation could materially or significantly impact election results	13	32.50 %
b. the recommendation could materially or significantly impact the results of a vote regarding non-election matters (e.g., a vote on an incentive plan, shareholder proposal, etc.)	25	62.50 %
c. the board ultimately found the advisor's recommendation persuasive	0	0.0 %
d. other	2	5.00 %
Total Responses	40	100.00 %

5. Has a proxy advisor made a recommendation that was based on materially inaccurate or incomplete information, or reported as a fact, information that was materially inaccurate or incomplete?

a. yes, at least once	31	39.24 %
b. yes, on several occasions	20	25.32 %
c. no	28	35.44 %
Total Responses	79	100.00 %

Count and Percent

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	Count	Percent
6. If you responded "yes" to the above question, did the proxy advisor correct the recommendation or factual assertion?		
a. yes	23	43.40 %
b. no	30	56.60 %
Total Responses	53	100.00 %

7. If you responded "no" to the above question, was the primary reason that:		
a. the company did not receive a draft of the advisor's recommendations	8	22.22 %
b. the company received the advisor's draft report without adequate time to discuss the matter with the proxy advisor	4	11.11 %
c. the company received draft report but the advisor was unwilling to reconsider its recommendation or factual assertion	8	22.22 %
d. the advisor was willing to review its recommendation or factual assertion but did not change its original recommendation or factual assertion	16	44.44 %
Total Responses	36	100.00 %

8. If the proxy advisor changed a vote recommendation or the text of its report after you reached out with clarifications, did the change impact the pending vote?		
a. yes	21	42.86 %
b. no, because it was too late and votes had already been cast and/or the change was not widely circulated	6	12.24 %
c. no, for other reasons	22	44.90 %
Total Responses	49	100.00 %

9. In a situation where your company has disagreed with a proxy advisor's vote recommendation, how successful has the company been in persuading institutional holders to vote in a manner inconsistent with the recommendation?		
a. have not tried to contact individual investors	10	13.51 %
b. have tried but without success	8	10.81 %
c. have had success occasionally but not consistently	36	48.65 %
d. have had consistent success (i.e., persuading some, but not necessarily all institutional holders)	20	27.03 %
Total Responses	74	100.00 %

Count and Percent

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	Count	Percent
10. If you responded b or c to the above question, what is the most typical reason for the company's lack of success?		
a. investors will not engage meaningfully	13	30.23 %
b. investors have engaged but disagreed	6	13.95 %
c. investors have engaged but were unwilling to stray from advisor's recommendation	20	46.51 %
d. other reasons	4	9.30 %
Total Responses	43	100.00 %
11. At a minimum, how much time would your company need to effectively review and comment on a draft proxy advisory report or recommendation?		
a. 1 business day	4	5.00 %
b. 2-5 business days	45	56.25 %
c. 5-10 business days	26	32.50 %
d. 10-14 business days	4	5.00 %
e. not applicable to my company because I don't receive vote recommendation reports	1	1.25 %
Total Responses	80	100.00 %
13. Has your company observed any discrepancies in the tabulation of voting results in connection with your last annual meeting of shareholders?		
a. yes	7	7.95 %
b. no	81	92.05 %
Total Responses	88	100.00 %
14. If your answer to the preceding question was yes, how significant were these discrepancies?		
a. very significant (the outcome of a vote was impacted by more than a few percentage points and a measure passed or failed as a result of the discrepancies)	0	0.0 %
b. somewhat significant (the outcome of a vote was impacted by a few percentage points, but a measure did not pass or fail as a result of the discrepancy)	1	10.00 %
c. somewhat insignificant (the outcome of a vote was not impacted by more than one percentage point and a measure did not pass or fail as a result of the discrepancy)	3	30.00 %
d. insignificant (the outcome of a vote was not impacted at all)	6	60.00 %
Total Responses	10	100.00 %

Concept Release Survey

	Count	Percent
15. How would you characterize the reliability and timeliness of the distribution of proxy materials to your "registered" shareholders, meaning those included on the books of the company's transfer agent on your company's behalf?		
a. reliable and timely	66	75.86 %
b. generally reliable and timely, but with some, more than insignificant, exceptions	20	22.99 %
c. generally not timely	1	1.15 %
d. generally not reliable	0	0.0 %
Total Responses	87	100.00 %
16. How would you characterize the distribution of proxy materials to your "street name" holders (i.e., shareholders who own shares through banks, brokers, or other intermediaries) on your company's behalf?		
a. reliable and timely	49	56.98 %
b. generally reliable and timely, but with some, more than insignificant, exceptions	31	36.05 %
c. generally not timely	6	6.98 %
d. generally not reliable	0	0.0 %
Total Responses	86	100.00 %
17. "Over-voting" occurs when a broker reports more votes to the tabulator/inspector of elections than the number of shares that the broker holds at the DTC. To what extent did "over-voting" impact your company's last annual meeting?		
a. very significantly (the outcome of a vote was impacted by more than a few percentage points and a measure passed or failed as a result of the discrepancies)	0	0.0 %
b. somewhat significantly (the outcome of a vote was impacted by a few percentage points, but a measure did not pass or fail as a result of the discrepancy).	0	0.0 %
c. somewhat insignificantly (the outcome of a vote was not impacted by more than one percentage point and a measure did not pass or fail as a result of the discrepancy)	1	1.14 %
d. insignificantly (the outcome of a vote was not impacted at all)	38	43.18 %
e. do not know	49	55.68 %
Total Responses	88	100.00 %
18. One proposal has been advanced that would require brokers and banks to reconcile their long positions with their share lending positions before they send out a voting instruction form. This is known as "pre-reconciliation." An alternative is for banks and brokers to reconcile their long positions with their share lending positions after voting instructions forms are received back from the beneficial owners, known as "post reconciliation." While "pre-reconciliation" is more accurate in theory because it prevents retail clients of brokers from voting shares that the broker has "loaned" to third parties, "post-reconciliation" results in more retail votes cast overall, and all such votes are cast by shareholders who have an economic interest in your shares (because a client who has shares "on loan" still owns the shares for all other purposes, including the incurrence of gains or losses). Would you support:		
a. requiring all brokers to have a pre-reconciliation procedure	28	31.11 %
b. requiring all brokers to have a post-reconciliation procedure	11	12.22 %
c. do not know the implications of either so can't answer the question	30	33.33 %
d. either method, but with disclosure of the method used	14	15.56 %
e. either method	7	7.78 %
Total Responses	90	100.00 %

Count and Percent

Concept Release Survey

	Count	Percent
19. Would you support a system whereby all individual investors (registered and street name) could obtain confirmation that their votes were counted as cast or instructed?		
a. yes unconditionally	3	3.41 %
b. yes, but only if the cost to issuers did not increase	44	50.00 %
c. yes, but only if the cost increase to issuers was minimal	27	30.68 %
d. yes, but only if the individual investor paid the cost	3	3.41 %
e. no	6	6.82 %
f. not sure	5	5.68 %
Total Responses	88	100.00 %

20. Would you support a system whereby vote confirmation for all votes was available to issuers, i.e. through an independent party?		
a. yes unconditionally	11	12.50 %
b. yes, but only if the cost to issuers did not increase	32	36.36 %
c. yes, but only if the cost increase to issuers was minimal	35	39.77 %
d. no	5	5.68 %
e. not sure	5	5.68 %
Total Responses	88	100.00 %

21. Would you support a system in which beneficial owners were granted actual proxy authority (rather than receiving a voting instruction form and casting votes through a securities intermediary)? Note that there would be no broker discretionary vote in such a system.		
a. yes	8	9.09 %
b. yes, but only if the cost to issuers did not increase (other than a minimal increase)	8	9.09 %
c. yes, but only if new system did not materially increase regulatory or other burdens for issuers.	8	9.09 %
d. b and c above	22	25.00 %
e. no	28	31.82 %
f. not sure	14	15.91 %
Total Responses	88	100.00 %

22. Do you expect, or have you experienced, a failure to reach a quorum at any shareholder meeting as a result of the loss of the broker discretionary vote for the election of directors?		
a. yes	0	0.0 %
b. no, but only because the company included a "routine" proposal on the ballot	21	23.86 %
c. no	67	76.14 %
Total Responses	88	100.00 %

Count and Percent

Concept Release Survey

	Count	Percent
23. Do you believe that all participants in the proxy distribution system should be required to share voting information with each other in order to permit investors to receive confirmation that their votes were included in the final election results?		
a. yes	40	45.45 %
b. no	16	18.18 %
c. not sure	32	36.36 %
Total Responses	88	100.00 %
24. Would you consider using a dual record date approach (separate notice and voting record dates) for your annual meeting, as recently permitted under Delaware law, if the SEC amended the proxy rules to make such an approach less burdensome?		
a. yes	25	33.78 %
b. no	49	66.22 %
Total Responses	74	100.00 %
25. How far in advance of the record date could your company provide notice of the proposals it plans to present at the shareholders meeting?		
a. not possible before the record date	21	30.88 %
b. 1 business day before the record date	10	14.71 %
c. 5 business days before the record date	9	13.24 %
d. more than 5 business days before date	28	41.18 %
Total Responses	68	100.00 %
26. Would you support an issuer's ability to give advance notice of shareholder proposals at meetings so that institutions could recall shares on loan in order to vote on certain shareholder proposals?		
a. yes	41	56.16 %
b. no	32	43.84 %
Total Responses	73	100.00 %
27. Do you believe that proxy distribution fees paid to Broadridge and other brokers and banks (or their agents) should be de-regulated (i.e., not regulated by either the SEC or national securities exchanges) and set by the marketplace?		
a. yes	16	19.28 %
b. yes, but only if de-regulation will not result in materially higher fees for my company	44	53.01 %
c. no	23	27.71 %
Total Responses	83	100.00 %

Count and Percent

Concept Release Survey

28. Do you believe that the fees paid to transfer agents for facilitating communications with registered holders should be regulated (i.e., by either the SEC or national securities exchanges)?

	Count	Percent
a. yes	8	9.52 %
b. yes, so long as it does not result in materially higher costs to issuers	26	30.95 %
c. no	42	50.00 %
d. not sure	8	9.52 %
Total Responses	84	100.00 %

29. Do you believe that total proxy distribution fees (including printing, postage and processing fees), on a per unit basis, charged by transfer agents are generally higher or lower than those charged for proxy distributions to street name holders?

a. higher	14	16.87 %
b. lower	24	28.92 %
c. about the same	15	18.07 %
d. not able to determine	30	36.14 %
Total Responses	83	100.00 %

32. Did your 2010 annual meeting include any unusual items (i.e., election contests, approval of stock incentive plans)?

a. yes	42	50.60 %
b. no	41	49.40 %
Total Responses	83	100.00 %

33. Did you use Notice and Access this year in any form?

a. yes	32	39.51 %
b. yes, for a sub-set of shareholders only	15	18.52 %
c. no	34	41.98 %
Total Responses	81	100.00 %

34. Do you think retail voter participation would improve if issuers could include a voting instruction form or proxy with the Notice of Internet Availability?

a. yes	58	70.73 %
b. no	6	7.32 %
c. not sure	18	21.95 %
Total Responses	82	100.00 %

Count and Percent

Concept Release Survey

	Count	Percent
35. Which of the following alternatives do you believe will significantly improve retail investor participation in the voting process: (Please select all that apply.)		
a. increased investor education	43	29.66 %
b. use of advanced voting instructions (client directed voting)	49	33.79 %
c. creating more opportunities for investors to communicate with each other (electronic shareholder forums, etc.)	11	7.59 %
d. the availability of enhanced brokers' platforms for facilitating the distribution of issuer communications	42	28.97 %
Total Responses	145	100.00 %
36. Do you communicate informally with your shareholders on proposals that are in your company's proxy materials, or that are expected to be included in the materials?		
a. yes	59	64.84 %
b. no	32	35.16 %
Total Responses	91	100.00 %
37. If you responded "yes" to the above question, which holders do you typically communicate with informally:		
a. only institutional shareholders	38	64.41 %
b. institutional shareholders and retail shareholders who have significant holdings	14	23.73 %
c. a larger group that includes more than shareholders with significant holdings	7	11.86 %
d. generally all shareholders	0	0.0 %
Total Responses	59	100.00 %
38. If your company only communicates with its largest shareholders, what is the primary reason that the company does not communicate with a greater spectrum of its shareholders?		
a. normally unnecessary to meet the company's objectives	44	66.67 %
b. cost of shareholder communications	3	4.55 %
c. complexity of the shareholder communications system	1	1.52 %
d. both b and c above	13	19.70 %
e. other reasons	5	7.58 %
Total Responses	66	100.00 %

Concept Release Survey

	Count	Percent
39. How do you expect that the anticipated adoption of the SEC's "proxy access" proposal and the elimination of broker discretionary voting in director elections will impact your company's desire to communicate with shareholders in communications that are not required under the federal proxy rules?		
a. expect to need to communicate with a significantly greater spectrum of shareholders in the future	27	29.67 %
b. do not expect any material changes to company's approach to communications	24	26.37 %
c. not sure yet, and will adjust approach only if necessary	40	43.96 %
d. already generally communicate informally with all shareholder	0	0.0 %
Total Responses	91	100.00 %
40. If the company were provided with the names and addresses for all of its shareholders without exception, would the company likely communicate informally with more shareholders than it does today?		
a. yes, generally with all shareholders	14	15.22 %
b. yes, with a significantly larger spectrum of shareholders compared to current practice	17	18.48 %
c. yes, but only a marginally greater number of holders compared to current practice	24	26.09 %
d. no, would likely continue current practice	37	40.22 %
Total Responses	92	100.00 %
41. If you responded "yes" to the above question, in communicating informally with shareholders would your company likely communicate directly with them using its own internal resources, or instead use the services of an intermediary, such as a proxy solicitor, transfer agent, or broker's agent?		
a. would typically use internal resources	22	36.07 %
b. would typically engage an intermediary for such communications	9	14.75 %
c. not sure yet	30	49.18 %
Total Responses	61	100.00 %
42. Today a company may obtain the contact information from brokers regarding non-objecting beneficial owners, or "NOBOs." A company may not, however, obtain contact information from brokers regarding its objecting beneficial owners, or "OBOs." Would you support an amendment to the rules to allow you to obtain contact information for all of your beneficial owners - OBOs and NOBOs?		
a. yes, unconditionally	21	25.61 %
b. yes, so long as it does not result in materially higher costs to issuers	13	15.85 %
c. yes, so long as it does not materially increase the logistical or regulatory burden on issuers	9	10.98 %
d. both b and c	33	40.24 %
e. no	6	7.32 %
Total Responses	82	100.00 %

Count and Percent

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	Count	Percent
43. How frequently throughout the year does your company communicate with NOBOs by using a NOBO list in a communication that is not required under the federal proxy rules?		
a. never	44	54.32 %
b. rarely	29	35.80 %
c. occasionally	7	8.64 %
d. frequently	1	1.23 %
Total Responses	81	100.00 %

44. If you responded "never" or "rarely" to the above question, what is the primary reason that the company does not communicate with NOBOs?		
a. the cost of ordering the NOBO list is prohibitive	3	4.11 %
b. overall costs of communicating with shareholders are prohibitive	2	2.74 %
c. both a and b above	12	16.44 %
d. normally unnecessary to meet company's objectives	56	76.71 %
e. other reasons	0	0.0 %
Total Responses	73	100.00 %

45. How frequently throughout the year does your company communicate with its registered shareholders in a communication that is not required under the federal proxy rules?		
a. never	30	37.04 %
b. rarely	29	35.80 %
c. occasionally	18	22.22 %
d. frequently	4	4.94 %
Total Responses	81	100.00 %

46. If you responded "never" or "rarely" to the above question, what is the primary reason that the company does not communicate informally with registered holders?		
a. such communications generally have been unnecessary to meet the company's objectives	52	83.87 %
b. the overall costs of communicating with registered shareholders are prohibitive	4	6.45 %
c. the system for communicating with registered holders is too complex	2	3.23 %
d. both b and c	4	6.45 %
e. other reasons	0	0.0 %
Total Responses	62	100.00 %

Concept Release Survey

	Count	Percent
47. The current proxy rules allow companies to send communications to NOBOs, but preclude them from sending proxy materials directly to both NOBOs and OBOs. Instead, a company must send proxy materials through an intermediary for brokers and banks, typically Broadridge. Would you support an amendment to the rules that would allow you to send proxy materials directly to all of your beneficial owners using your own distribution agent?		
a. yes, unconditionally	11	13.41 %
b. yes, so long as it does not result in materially higher costs to issuers	12	14.63 %
c. yes, so long as it does not materially delay receipt of the vote or increase the logistical or regulatory burden on issuers	8	9.76 %
d. both b and c	46	56.10 %
e. no	5	6.10 %
Total Responses	82	100.00 %

48. S Some have proposed to create more competition and shareholder-to-shareholder communications by giving an issuer and any of its shareholders access to a list of all of a company's beneficial owners - NOBOs and OBOs - from an independent, non-profit central data aggregator. Would you support such a restructuring of the proxy distribution system?

a. yes, unconditionally	2	2.47 %
b. yes, so long as it does not result in materially higher costs to issuers	4	4.94 %
c. yes, so long as it does not materially delay receipt of the vote or increase the logistical or regulatory burden on issuers	7	8.64 %
d. both b and c	28	34.57 %
e. no	40	49.38 %
Total Responses	81	100.00 %

49. If you responded "yes" to the above question, should registered shareholders also be included in such a system so that issuers have the option of hiring one single agent for the distribution of all proxy materials?

a. yes	40	95.24 %
b. no	2	4.76 %
Total Responses	42	100.00 %

Count and Percent

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	Count	Percent
50. Do you believe that shareholders should continue to have the right to keep their identities and share positions private from the companies in which they have invested?		
a. yes	19	24.05 %
b. yes, but shareholders should be discouraged from making that choice by imposing a fee or requiring extra paperwork	19	24.05 %
c. no, shareholders should not have a right to privacy	18	22.78 %
d. no, the system should not impose burdens that disproportionately impact retail shareholders as compared to institutions, which have more resources to bear them	6	7.59 %
e. both c and d	17	21.52 %
Total Responses	79	100.00 %

51. If the incremental cost of proxy distributions to OBOs is greater than the cost of distributions to NOBOs, who should bear the additional cost?		
a. issuers should continue to bear the incremental cost	8	9.88 %
b. brokers and bank custodians should bear the incremental cost	7	8.64 %
c. the shareholders requesting anonymity should bear the cost	38	46.91 %
d. b and c	28	34.57 %
Total Responses	81	100.00 %

52. Some have proposed a more restricted approach to providing issuers and other shareholders with access to the identities of all beneficial holders, which would entail the disclosure to issuers and their shareholders of all beneficial owners but only as of the record date for an annual meeting. Would you support this approach?		
a. yes	27	32.93 %
b. no	25	30.49 %
c. not sure	30	36.59 %
Total Responses	82	100.00 %

53. Do you believe that encouraging or requiring the disclosure of the names and contact information to issuers one or more times per year will result in higher proxy solicitation costs for issuers, particularly if that beneficial owner information is also provided to other shareholders?		
a. yes	38	46.34 %
b. no	9	10.98 %
c. not sure	35	42.68 %
Total Responses	82	100.00 %