

**STATEMENT BY SEC CHAIRMAN MARY L. SCHAPIRO
ON PROXY ACCESS LITIGATION**

Washington, D.C., Sept. 6, 2011 -- The Securities and Exchange Commission today confirmed that it is not seeking rehearing of the decision by the U.S. Court of Appeals in Washington, D.C. vacating a Commission rule, Rule 14a-11, which would have required companies to include shareholders' director nominees in company proxy materials in certain circumstances. Nor will the SEC seek Supreme Court review.

Chairman Mary L. Schapiro issued the following statement:

“I firmly believe that providing a meaningful opportunity for shareholders to exercise their right to nominate directors at their companies is in the best interest of investors and our markets. It is a process that helps make boards more accountable for the risks undertaken by the companies they manage. I remain committed to finding a way to make it easier for shareholders to nominate candidates to corporate boards.

At the same time, I want to be sure that we carefully consider and learn from the Court’s objections as we determine the best path forward. I have asked the staff to continue reviewing the decision as well as the comments that we previously received from interested parties.”

###

Last year, when the Commission adopted Rule 14a-11, it also adopted amendments to Rule 14a-8, the shareholder proposal rule. Under those amendments, eligible shareholders are permitted to require companies to include shareholder proposals regarding proxy access procedures in company proxy materials. Through this procedure, shareholders and companies have the opportunity to establish proxy access standards on a company-by-company basis -- rather than a specified standard like that contained in Rule 14a-11.

Although the amendments to Rule 14a-8 were not challenged in the litigation, the Commission voluntarily stayed the effective date of those amendments at the time it stayed the effective date of Rule 14a-11. The Commission’s stay order provides that the stay of the effective date of the amendments to Rule 14a-8 and related rules will expire without further Commission action when the court’s decision is finalized, which is expected to be September 13. Accordingly, absent further Commission action, Rule 14a-8 will go into effect and a notice of the effective date of the amendments will be published.

###