

An Investment in Our Nation's Capital

NIRI members traveled to Washington to make the case for proxy advisor reform and short-position disclosure. BY TED ALLEN



More than 50 members braved the threat of Hurricane Florence to gather in Washington, DC, in September for NIRI's second annual Leadership Week.

The attendees, who included National Board members and representatives from 14 chapters, came prepared with umbrellas and raincoats, though none were needed after the hurricane tracked south. Members took advantage of the better-than-expected weather to network, share ideas, and express their views on key regulatory issues. Overall, NIRI attendees enjoyed their time in Washington and appreciated the opportunity

to speak directly with legislative staffers and regulators.

The event included a chapter leaders' workshop, where chapter officers discussed ways to engage and serve their members. The NIRI Board of Directors finalized a new strategic plan and heard recommendations for NIRI's 50th anniversary celebration next year. The Service Provider Council met to provide input and suggest ways to enhance collaboration and expand thought leadership.

Most of the attendees gathered together on Capitol Hill for a legislative briefing with John Hair, the chief legislative adviser to U.S. Rep. Sean Duffy (R-WI) on financial services issues, and then heard updates from representatives from the U.S. Chamber of Commerce, Nasdaq, and NYSE Group. NIRI members then split into regional groups and visited 17 Senate and House offices (including lawmakers from California, Texas, New York, Colorado, Delaware, Virginia, Georgia, Minnesota, and Illinois) to talk to legislative staffers about NIRI's public policy agenda. In each meeting, members shared their stories and advocated for proxy advisor reform, improved short-position disclosure, and greater transparency around hedge fund activism.


NIRI members engaged with both Republican and Democratic staffers and sought to emphasize the bipartisan support for the various reforms that NIRI is seeking. With Democrats hopeful to win control of the U.S. House of Representatives in the November mid-term elections, it will become even more important for the IR practitioners to enlist allies on both sides of the political aisle.

The next day, the NIRI delegation traveled to the headquarters of the Securities and Exchange

Commission, where members had a private Q&A session with Commissioner Hester Peirce. The NIRI group also met with William Hinman, director of the SEC's Corporation Finance Division, and a dozen other SEC senior staff members. That meeting covered a wide array of regulatory topics, including proxy system modernization, updating the 13-F long-position disclosure rules, and non-GAAP reporting, as NIRI members told their stories and asked questions of the SEC.

The day before NIRI's visit, the SEC announced that it had withdrawn two 2004 staff "no-action" letters pertaining to proxy advisory firms. Those letters have prompted many investment managers to outsource their proxy voting responsibilities to the proxy firms and significantly increased the firms' influence. NIRI thanked the SEC for taking this action and for scheduling a November 15 roundtable to consider proxy voting reform and proxy firms.

The 2018 Leadership Week events were made possible with support from five sponsors: Corbin Advisors, EQS Group, Equilar, Nasdaq, and UBS.

The visit by NIRI members to Washington illustrates the importance of regularly engaging with the SEC and Congress to make sure they are aware of the views of the IR professionals. Change happens very slowly in Washington, so NIRI encourages public companies and NIRI chapters to write letters to lawmakers and the SEC on proxy advisory firms, short-position disclosure, 13-D modernization, and other regulatory concerns. Several NIRI chapters, including NIRI Capital Area, NIRI DFW, and NIRI Houston, have already submitted letters on these issues. More information on NIRI's advocacy priorities, including briefing papers and links to letters from chapters and companies, can be found on the "Advocacy Call to Action" page (www.niri.org/advocacy/call-to-action) on NIRI's website. 

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NIRI members visiting the Securities and Exchange Commission during NIRI Leadership Week included (front row, left to right) Cheryl Valenzuela, Bernadette McCormick, and Jennifer Driscoll. Members in the back row (left to right) included Valerie Haertel, Nicole Noutsios, Julie Dewey, Lisa Hartman, Melissa Plaisance, and Moriah Shilton.



NIRI members visiting the office of U.S. Senator Mark Warner (D-VA) during NIRI Leadership Week included (left to right) David Dragics, David Dixon, Steven Rubis, Dan Aldridge, Mark Warren, and Mitzi Reynolds.