



February 3, 2022

J. Matthew DeLesDernier  
Assistant Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

VIA ELECTRONIC MAIL  
([rule-comments@sec.gov](mailto:rule-comments@sec.gov))

Subject: SEC File No. SR-NYSE-2020-96; Release No. 34-93934, In the Matter of New York Stock Exchange LLC: Proposed Rule Change to Amend its Rules Establishing Maximum Fee Rates to be Charged by Member Organizations for Forwarding Proxy and Other Materials to Beneficial Owners

Dear Mr. DeLesDernier:

The Society for Corporate Governance (“Society”)<sup>1</sup> and the National Investor Relations Institute (“NIRI”),<sup>2</sup> together representing the interests of more than 1,600 public companies, have commented previously on the New York Stock Exchange LLC’s (“NYSE”) request to transfer its authority over fees for forwarding proxy materials.<sup>3</sup>

In response to the Commission’s January 7, 2021, Order Granting Petition for Review, we are writing to bring to your attention several billing practices related to the delivery of proxy materials to beneficial owners that we believe need review and attention. Based on a survey of our members and a review of proxy service agent invoices, we believe that public companies are

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<sup>1</sup> Founded in 1946, the Society for Corporate Governance (“Society”) is a professional membership association of approximately 3,500 corporate and assistant secretaries, in-house counsel, outside counsel, and other governance professionals who serve approximately 1,700 entities, including approximately 1,000 public companies of almost every size and industry. Society members are responsible for supporting the work of corporate boards of directors and the executive managements of their companies on corporate governance and disclosure matters.

<sup>2</sup> Founded in 1969, the National Investor Relations Institute (“NIRI”) is the professional association of corporate officers and investor relations consultants responsible for communication among corporate management, shareholders, securities analysts, and other financial community constituents. The largest professional investor relations association in the world, NIRI’s more than 2,800 members represent over 1,350 publicly held companies with more than \$7 trillion in stock market capitalization.

<sup>3</sup> See Letter from Niels Holch, Executive Director, Shareholder Communications Coalition, to Vanessa Countryman, Secretary, U.S. Securities and Exchange Commission (January 20, 2021), available at <https://www.sec.gov/comments/sr-nyse-2020-96/srnyse202096-8266719-228002.pdf>.

being charged for the delivery of proxy materials for annual or special shareholder meetings that actually are not being delivered to anyone.<sup>4</sup>

The Society and NIRI request that the SEC initiate a new rulemaking to amend the current NYSE proxy fee schedule to ensure that public companies are *not responsible* for paying administrative charges that *are in excess of the reasonable fees* to deliver proxy materials to beneficial owners. We also request the appointment of a new industry group, with equitable representation from corporate and investment company issuers, the proxy service providers, broker-dealers, and investors, to review the reasonableness of current billing practices in light of market changes, the greater use of electronic distribution, and technological innovations over the past decade. Finally, we believe there should be an independent review of the fairness of current proxy billing practices.

### **Background**

Unlike with the other communication vendors they hire, U.S. public companies are not able to select the third-party service providers that manage the distribution of proxy materials to the company’s beneficial owners who own their shares in “street name” through broker-dealers. Companies are charged fees for proxy distribution services based on a fee schedule overseen by the NYSE and that is subject to SEC rules that govern the types and amounts of fees that may be charged to companies for these services. For example, current SEC regulations require public companies to pay only “*reasonable* expenses for completing the *sending* of [proxy] materials to beneficial owners.” (emphasis added).<sup>5</sup> Additionally, NYSE Rule 451 only authorizes proxy processing fees to be charged for beneficial owner accounts that are actually “served” by a proxy services provider.<sup>6</sup>

A recent study conducted by the Society and NIRI identified several billing practices that we believe are not consistent with these regulatory standards. Specifically, certain processing fees, preference management fees, Notice & Access fees, reminder communication fees, and vote return fees are being charged for beneficial owner accounts that have delegated proxy voting authority to an investment adviser or other financial intermediary as a part of a sponsored managed account program. These investors *are not* participating in annual or special shareholder meetings and *are not* receiving proxy materials or voting at such meetings, but companies are still being charged as if they were. In short, companies are no longer just paying for the actual costs of proxy distribution activities. They are also being invoiced for activities that are not

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<sup>4</sup> Investors holding equity shares through a broker-dealer or a bank in street name or nominee form are typically referred to as “beneficial owners.”

<sup>5</sup> 17 C.F.R. § 240.14a-13(a)(5).

<sup>6</sup> NYSE Rule 451.90(1)(b)(i) (2021) (“References in this Rule 451 to the number of accounts means … the aggregate number of nominee accounts with beneficial ownership in the issuer *served by the intermediary*.”) (emphasis added). See also Financial Industry Regulatory Authority (“FINRA”) Rule 2251.01(a)(1)(B)(i) (2021).

necessary for beneficial owner proxy distributions and involve communications that are not actually occurring.

Further, the Society and NIRI study identified several other practices that appear inconsistent with SEC and NYSE rules:

- Certain suppressed accounts are also being charged processing fees, Notice & Access fees, and other fees—again on an ongoing basis—even though no proxy materials are being sent to beneficial owners and these accounts are not voting at a shareholder meeting. Additionally, accounts that are being suppressed as a result of householding or consolidation are being charged a preference management fee each year, even though the suppression is often a one-time event and not recurring.
- Beneficial owner accounts that have made a one-time election to receive proxy materials electronically are also being charged a preference management fee each year, even if their election was a one-time event and not recurring.

Under SEC and NYSE rules, we believe public companies are only required to pay processing fees for proxy materials that are *actually* sent to beneficial owners. Multiple proxy fees should not be charged for investor accounts where proxy voting has been delegated or proxy materials have been otherwise suppressed. Most, if not all, of these processing activities should be handled by broker-dealers and banks *before* any proxy distribution takes place; and only information about beneficial owners eligible to vote proxies should be transferred, or otherwise communicated, to the proxy services agent by each broker-dealer and bank.

What follows is a summary of the results of the Society and NIRI study of third-party proxy fees, from 2018 to the present.

### **The Society and NIRI Proxy Fee Survey and Analysis**

Beginning in the fall of 2020, several Society and NIRI members raised concerns about the significant growth of managed accounts (and the resultant fees) in proxy service provider invoices for their street name (*i.e.*, non-registered) shareholders. A managed account is a brokerage or retirement account in which an investment adviser has been granted the discretion to select the securities in an investor's portfolio. In almost all circumstances, the street name shareholder also delegates proxy voting authority to this same investment adviser.

For these Society and NIRI members, the increases they were seeing in managed account positions—and the resultant proxy fees—were exceptionally large over the past several years. These members also noticed large increases in their overall number of beneficial owner positions, during a period in which there was not a proportional increase in their equity shares outstanding.

In the spring of 2021, the Society and NIRI conducted a short survey of their respective members to ascertain if this is a broader problem for public companies. This survey also asked for summary data from each company's Broadridge and Mediant invoices in 2018, 2019, and 2020. Results from the Society and NIRI study included the following:

- On the question of whether a company observed an increase in proxy fees between 2018 and 2020:
  - Of 81 respondents, **41.98%** indicated that their proxy fee invoices increased substantially over this period;
  - Another **33.3%** indicated that their proxy fee invoices increased slightly over this period; and
  - Only 14.81% indicated no increase in proxy fees over this period and 9.88% were unsure.
- On the question of whether a company observed a significant increase in the total number of beneficial owner positions being processed by either Broadridge or Mediant between 2018 and 2020:
  - Of 57 respondents, **68.42%** indicated YES;
  - Another 22.81% indicated NO; and
  - 8.77% were unsure.
- On the question of whether a company observed a significant increase in the total number of managed account positions being processed by either Broadridge or Mediant between 2018 and 2020:
  - Of 45 respondents, **46.67%** indicated YES;
  - Another 26.67% indicated NO; and
  - 26.67% were unsure.

In the Society and NIRI survey, 13 companies provided data regarding how the actual number of beneficial owner positions and managed account positions had changed in their proxy fee invoices over this two-year period. When this data is aggregated, these companies reported that:

- Beneficial owner positions increased by **48.72%** from 2018 to 2020; and
- Managed account positions increased by **68.10%** from 2018 to 2020.

In order to research these issues in more detail, the Society and NIRI obtained 15 sets

of proxy fee invoices to issuers from 2018, 2019, 2020, and 2021. For the Broadridge invoices analyzed and aggregated together:

- Proxy fees increased by **41.44%** from 2018 to 2021;
- Beneficial owner positions increased by **38.86%** from 2018 to 2021; and
- Managed account positions increased by **79.30%** from 2018 to 2020.<sup>7</sup>

For comparison purposes, the Society and NIRI staff also examined the change in shares outstanding from 2018 to 2021 for these 15 companies, using public disclosures from 10-K filings. For these same companies, on an aggregated basis, their shares outstanding from 2018 to 2021 increased over this period by just **2.20%**.

For these particular companies, it is hard to reconcile how their beneficial owner positions, managed account positions, and resulting proxy fees could increase so rapidly over a time period in which their overall shares outstanding were relatively unchanged. While the various factors that may have fueled the increase in managed account positions are not apparent to issuers, the Society-NIRI study did confirm that proxy service fees have increased significantly for many companies and that issuers are being charged proxy fees related to managed accounts that are inconsistent with NYSE and SEC rules.

### **Specific Findings from the Society and NIRI Proxy Fee Study**

This review of proxy fee invoices by the Society and NIRI staff revealed the following concerns:

1. **Proxy Fees for Managed Accounts.** As noted above, a managed account is a brokerage account in which an investment adviser has been granted the discretion to select the securities in an investor's portfolio. In almost all circumstances, the investor also delegates proxy voting authority to his or her investment adviser.<sup>8</sup>

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<sup>7</sup> The Society and NIRI staff were only able to obtain a small number of invoices from Mediant Communications, a smaller proxy services agent, so the results of this study are primarily from an examination of Broadridge invoices. Several companies, however, noticed that during the COVID-19 pandemic there was a substantial increase in their shares held by beneficial owner accounts at Robinhood and other online broker-dealers represented by Mediant. Anecdotal evidence indicates that many of these were small positions held by retail investors, primarily as a result of being "meme" stocks.

<sup>8</sup> There are obvious reasons why investors in managed accounts delegate their proxy voting authority to their investment adviser. These investors typically lack either the time, expertise, or inclination to manage their own investments directly. A fully diversified investment portfolio may include many different investment positions and investors in these accounts very rarely want to receive an abundance of proxy materials and make voting decisions at shareholder meetings held by public companies that an investment adviser has selected for their investment accounts.

When a public company conducts a shareholder meeting, only one package of proxy materials is sent electronically to each broker-dealer, bank, or other financial institution sponsoring a managed account investment program. These financial intermediaries then cast proxy votes in a consolidated fashion on behalf of (and in lieu of) the investors who have delegated proxy voting authority to them, as part of the managed account programs they sponsor. This process is outlined in NYSE Rule 451(a)(2).<sup>9</sup>

Based on a review of invoices by both Broadridge and Mediant, proxy services agents for broker-dealers and banks are charging public companies the following fees for managed account positions:

- A \$0.50 basic processing fee and a \$0.14 intermediary fee for each beneficial owner position within a managed account, adding up to a total processing fee of as much as \$0.64 per position. The fee is tiered and is reduced to a combined fee of \$0.39 per beneficial owner position for companies with more than 500,000 positions.<sup>10</sup>
- A preference management fee of \$0.16 for each beneficial owner position within a managed account.
- A Notice & Access fee of \$0.25 for each beneficial owner position in a managed account (if a company uses Notice & Access). This fee is tiered and is reduced to a fee of \$0.05 per beneficial owner position for companies with more than 500,000 positions.
- A proxy voting fee of \$0.06 for each beneficial owner position within a managed account. For Broadridge clients, this per position fee is charged through its Proxy Edge voting service, even though beneficial owners in managed accounts do not cast any proxy votes.

Taken together, these four different proxy fees add significant costs to a public company with a large number of beneficial owner positions in managed accounts. For a company using the Notice and Access format, these fees can total as much as \$1.11 for each beneficial owner

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<sup>9</sup> NYSE Rule 451(a)(2) (2021) (“[E]ach member organization shall transmit [soliciting material] … to an investment adviser … who exercises discretion pursuant to an advisory contract for the beneficial owner and has been designated in writing by the beneficial owner of such stock … to receive soliciting material *in lieu of the beneficial owner* ....”) (emphasis added). *See also* FINRA Rule 2251(f) (2021).

<sup>10</sup> For example, a financial intermediary sponsoring a managed account program with shares of public company XYZ in 1,000 different managed accounts is allowing its proxy services agent to charge issuers as much as \$0.64 for each one of these 1,000 accounts, even though the intermediary sponsor only requires one set of proxy materials to cast votes in lieu of its 1,000 managed accounts. None of the beneficial owners in these accounts are receiving proxy materials or casting votes in this or any other shareholder meeting.

position.<sup>11</sup> For an issuer not using Notice and Access delivery, these fees can total as much as \$0.86 for each beneficial owner position.<sup>12</sup>

The Society and NIRI believe that companies should not be charged any proxy fees for managed accounts at the beneficial owner level. For the companies examined in our study, the fees related to managed accounts averaged 40% of the total proxy distribution bill. For nine of the 15 companies referenced above, the managed account charges totaled more than \$100,000 in their 2021 invoices and, for one company, the managed account charges exceeded \$900,000.

The shareholders in these accounts are not receiving—nor expecting to receive—any proxy materials and are not casting any proxy votes. Furthermore, we believe that there is no ongoing work being performed for these accounts at the investor level that would fall under the category of expenses for distributing proxies. Instead, each managed account is flagged by a broker-dealer or bank at account opening, when the investor has agreed to delegate investment discretion, portfolio selection, and proxy voting authority to the financial intermediary sponsoring this type of investment program. To our knowledge, these delegations are not updated on an annual or other basis, and no change to the delegation occurs unless a beneficial owner happens to ask.

The flag placed on these accounts at account opening should have resulted in an automated suppression by each broker-dealer or bank *before* an electronic file of eligible voting positions was transferred, or otherwise communicated, to a third-party proxy services agent. Any processing or programming functions necessary to segregate these accounts for proxy voting purposes should also take place at the broker-dealer or bank level and *before* any information is transmitted to a third-party agent.

If the proxy services agent is involved in the coding and management of these accounts, then this activity should remain a matter between each agent and its broker-dealer and bank clients. Public companies should not be charged proxy fees for these activities, as managed accounts only require the distribution—either electronically or by mail—of one proxy package to each investment adviser possessing delegated voting authority for its beneficial owner clients.<sup>13</sup>

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<sup>11</sup> For smaller public companies using the Notice and Access format, these charges result in a basic processing and intermediary fee of \$0.64, a preference management fee of \$0.16, a Notice and Access fee of \$0.25, and a ProxyEdge voting fee of \$0.06 for each beneficial owner position in a managed account.

<sup>12</sup> For smaller public companies not using the Notice and Access format, these charges result in a basic processing and intermediary fee of \$0.64, a preference management fee of \$0.16, and a ProxyEdge voting fee of \$0.06 for each beneficial owner position in a managed account.

<sup>13</sup> This is exactly the process used by Broadridge in its ProxyEdge service. See Letter from Donald Kitell, Securities Industry Association, to Nancy Morris, Secretary, Securities and Exchange Commission, at 4, Feb. 13, 2006, available at <https://www.sec.gov/comments/s7-14-10/s71410-4.pdf> (“With ProxyEdge, only one set of proxy materials, rather than multiple sets, is mailed to investors who want paper materials. For investors who have chosen electronic delivery, ProxyEdge sends a URL for the website containing proxy materials (if the materials are available electronically). For example, if a money manager has 200 accounts that hold shares of IBM, ProxyEdge will avoid the delivery of 199 sets of proxy materials and send only one set.”).

The financial intermediaries that sponsor managed account investment programs are well-compensated for their services, primarily through annual asset-based fees (typically 1 to 2 percent of assets under management) applied to these individual accounts. The brokerage industry, in particular, pressed to amend stock exchange rules in the 1990s to permit a beneficial owner to delegate proxy voting authority in an account in which investment discretion is also delegated.<sup>14</sup> As stated by the Securities Industry Association (“SIA”—the predecessor organization to SIFMA—in a comment letter in this 1994 rulemaking:

While principles of corporate governance mandate that beneficial owners of securities should have relevant information about issuers of those securities, this is not necessarily the case when a beneficial owner has set up an investment advisory account wherein discretion is given to the investment adviser to implement a suitable investment strategy. ... [W]hen an investment advisory account is set up it is almost always the case that the client does not want the burden of receiving issuer mailings. Such clients have generally determined that they do not have the time, expertise or desire to handle their own investments. Similarly, such clients frequently do not want to be recipients of voluminous issuer reports that, for a fully diversified account, can be described as ‘mountainous.’<sup>15</sup>

A review of the history of managed account processing fees indicates that these practices have been controversial within the brokerage industry. In October 2007, a senior FINRA executive, Anand Ramtahal, was quoted in *Securities Industry News* as stating that broker-dealers should not be charging processing or suppression fees for managed accounts.<sup>16</sup> Mr. Ramtahal pledged that FINRA would investigate this practice, and he went on to say that “broker-dealers should not be forwarding the names of [managed account] investors to the issuers or their service providers.”<sup>17</sup>

Notwithstanding this history, issuers are in fact being charged multiple processing fees for proxy distribution for managed accounts, despite, as noted earlier, current SEC regulations that only require public companies to pay “reasonable expenses for completing the *sending* of

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<sup>14</sup> See, e.g., SEC Release No. 34-34596, 59 Fed. Reg. 45,050, at 45,051 (Aug. 31, 1994) (“According to the [NYSE], a number of member organizations along with the ... Securities Industry Association (‘SIA’) informed the Exchange that many of their customers who have their accounts managed by investment advisers do not want to receive proxy related information and annual reports, or vote the proxy. These member organizations have indicated that their customers would rather have the professionals, whom they pay to manage their accounts, represent their interests relative to the companies in which they own stock because the professionals are better qualified.”).

<sup>15</sup> *Id.* at 45,053.

<sup>16</sup> Chris Kentouris, “Finra to Investigate Proxy Suppression Fees for SMAs,” *Securities Industry News*, Oct. 19, 2007 (“We don’t believe that broker-dealers should be charging these fees and will be looking into the practice for separately managed accounts [SMAs].” (quoting Anand Ramtahal, Vice President, FINRA)).

<sup>17</sup> *Id.*

[proxy] materials to beneficial owners.” (emphasis added).<sup>18</sup> Additionally, NYSE Rule 451 only authorizes proxy processing fees to be charged for beneficial owner accounts that are actually “served” by a proxy services provider.<sup>19</sup>

These managed account fees are not just inconsistent with the text of these SEC and NYSE rules, but are also inconsistent with the original intent of several of these proxy-related charges. The basic processing fee, for example was established to reimburse broker-dealers, banks, and their agents for actually delivering proxy materials through the mails.<sup>20</sup> And the original suppression fees (now called “preference management” fees) were intended as an initial incentive to eliminate the need to mail paper proxy materials to certain beneficial owners.<sup>21</sup>

**2. Fees for Reminder Mailings and Email Communications.** Public companies are also being charged an additional \$0.10 for each managed account when a company requests a reminder communication in advance of a shareholder meeting. As noted above, a managed account position should have been previously flagged and suppressed by the broker-dealer or bank and should not be the subject of any fees at this later stage in the proxy process. These investors have delegated voting authority to an investment adviser and are not casting votes. Thus, they are not receiving reminder communications and a public company should not be charged \$0.10 for each beneficial owner position in a managed account.

**3. Fees for Preference Management Activities.** Companies are also being charged, on an ongoing basis, other preference management fees for householding, e-delivery, and other consolidation and suppression activities. These administrative fees should not be charged on an ongoing basis when a preference or election does not change and is not expected to change. Additionally, account consolidation and suppression activities should be coded and managed by broker-dealers and banks—and not third-party proxy services agents—as a part of the normal account servicing functions they are required to perform pursuant to SEC and other regulatory rules. Furthermore, once a beneficial owner account has been flagged and suppressed, additional

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<sup>18</sup> 17 C.F.R. § 240.14a-13(a)(5). SEC regulations also refer to “reimbursement of the broker’s or dealer’s reasonable expenses.” See, e.g., 17 C.F.R. § 240.14b-1(c)(2)(i).

<sup>19</sup> NYSE Rule 451.90(1)(b)(i) (2021) (“References in this Rule 451 to the number of accounts means … the aggregate number of nominee accounts with beneficial ownership in the issuer *served by the intermediary*.”) (emphasis added). See also Financial Industry Regulatory Authority (“FINRA”) Rule 2251.01(a)(1)(B)(i) (2021).

<sup>20</sup> See, e.g., NYSE Rule 451.90(1) (2012) (“Effective March 25, 2002, 40 cents for each set of proxy material, i.e., proxy statement, form of proxy and annual report *when mailed as a unit*, unless an opposition proxy statement has been furnished to security holders, with a minimum of \$5.00 for all sets mailed.”) (emphasis added).

<sup>21</sup> See, e.g., Order Granting Approval to Proposed Rule Change by the New York Stock Exchange, 62 Fed. Reg. 13,922, at 13,924 (Mar. 24, 1997) (“The Exchange also is proposing a new incentive fee to compensate member organizations and/or intermediaries for eliminating the need to send materials in paper form. The Exchange believes that this fee will encourage member organizations to apply technology to sort materials so that multiple proxy instruction forms are included in a single envelope with a single set of materials to be mailed to the same household. The Exchange is encouraging ‘householding,’ whereby the member firm or intermediary could earn the paper elimination fee by distributing multiple proxy instruction forms electronically or by distributing all material to a household electronically. Therefore, the Exchange is proposing a fee of \$.50 (\$.10 for a quarterly report) for each set of material that is not mailed.”).

fees should not be charged unless a proxy package is actually distributed, either by mail or electronically.<sup>22</sup>

**4. Fees for Votes Being Cast.** In addition to the vote return fees noted above, public companies are also being charged a \$0.10 preference management fee for votes cast from a reminder communication. As noted earlier, such suppressions should be occurring earlier in the proxy process, and there should not be any additional preference management fees charged for a vote that is being cast from an account, such as an e-delivery beneficial owner, that was suppressed earlier from receiving paper proxy materials.

### **Recommendations for Regulatory Action**

To address these concerns, the Society and NIRI request that the SEC issue guidance regarding any excessive fees or billing practices that the Commission agrees are inconsistent with SEC regulations and NYSE proxy rules. Additionally, the Society and NIRI request that the SEC initiate a new rulemaking to amend the current NYSE proxy fee schedule to ensure that public companies are *not responsible* for paying the following proxy charges:

- Any processing, intermediary, preference management, Notice & Access (if used), reminder communications, and vote return fees for managed accounts, unless the financial intermediary can show that the beneficial owner has elected to receive proxy materials and cast votes in a shareholder meeting;
- Any preference management fee that should be handled by broker-dealers and banks as a part of their normal account servicing functions and before an electronic file of eligible voting positions is transferred, or otherwise communicated to, proxy services agents;
- Any preference management fee on an ongoing basis when a suppression only needs to occur once and has not changed over time; and
- Any processing, intermediary, Notice & Access (if used), and vote return fees for beneficial owner accounts which have been suppressed at the broker-dealer and bank level and do not result in a proxy package being delivered to such beneficial owners.

To assist in this regulatory process, the Society and NIRI also request the appointment of a new industry working group to provide recommendations to the Commission as to what proxy fees are reasonable and relate to the actual delivery of proxy materials. Rather than rely on data from proxy service agents, the industry group should conduct an independent review to examine

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<sup>22</sup> It is also difficult to justify as a “reasonable expense” a charge of more than \$1.00 to send an email with a URL link to a beneficial owner who has requested electronic delivery of proxy materials.

J. Matthew DeLesDernier

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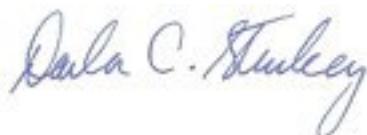
whether the current fee schedule is still reasonable given the technological innovations and market changes over the past decade.<sup>23</sup> We respectfully request that corporate and investment company issuers and their representatives as well as broker-dealers, investors, and proxy service providers be a part of the group.

The Society and NIRI appreciate your consideration of our views.

Sincerely,



Gary A. LaBranche  
President and CEO  
National Investor Relations Institute



Darla C. Stuckey  
President and Chief Executive Officer  
Society for Corporate Governance

cc: The Honorable Gary Gensler  
The Honorable Hester M. Peirce  
The Honorable Allison Herren Lee  
The Honorable Caroline A. Crenshaw  
Renee Jones, Director, Division of Corporation Finance  
Haoxiang Zhu, Director, Division of Trading and Markets  
William A. Birdthistle, Director, Division of Investment Management

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<sup>23</sup> Such an independent review was endorsed by the NYSE's Proxy Working Group in 2006: "[t]he NYSE should periodically reevaluate the fees structure to ensure that no entity is unduly profiting off the current system. Issuers and shareholders deserve periodic confirmation that the system is performing as cost-effectively, efficiently and accurately as possible, with the proper level of responsibility and accountability in the system." See New York Stock Exchange, Report and Recommendations of the Proxy Working Group to the New York Stock Exchange, at 28, June 5, 2006, available at [http://www.nyse.com/pdfs/REVISED\\_NYSE\\_Report\\_6\\_5\\_06.pdf](http://www.nyse.com/pdfs/REVISED_NYSE_Report_6_5_06.pdf).