

S 2460

Shareholder Bill of Rights Act

Congress: 107 (2001–2003, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: May 6, 2002

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (May 6, 2002)

Official Text: <https://www.congress.gov/bill/107th-congress/senate-bill/2460>

Sponsor

Name: Sen. Levin, Carl [D-MI]

Party: Democratic • **State:** MI • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 6, 2002

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Shareholder Bill of Rights Act - Amends the Securities Act of 1933 to authorize the Securities and Exchange Commission (SEC) to: (1) delegate its authority to issue financial accounting and reporting standards to an independent, nongovernmental organization (such as the Financial Accounting Standards Board); and (2) require issuers to comply with the standards issued by such organization.

Prescribes guidelines to ensure an independent source of funding for such organization.

Mandates that at least one third of the organization's appointed members: (1) represent investors and the public interest; and (2) have not recently been employed by or associated with a public accounting firm or issuer.

Amends the Securities Exchange Act of 1934 to impose upon independent public accountants a two-year ban regarding: (1) self audits if an accountant performs non-audit services for an issuer of a publicly traded security; (2) contemporaneous non-auditing services if the accountant audits and certifies a financial document; and (3) acceptance of any directorship, employment, or contract for services if the accountant participates personally and substantially in an audit leading to the certification of a financial document of an issuer of a publicly traded security (issuer).

Requires such issuers to provide all material information during the conduct of an audit. Declares it is unlawful for any director, officer, or affiliated person of such issuers to improperly influence, coerce, manipulate, or mislead any independent public accountant who audits a financial statement or report of such issuer.

Prescribes oversight guidelines to be exercised by such issuer's audit committee or its board of directors.

Permits certain three-percent beneficial shareholders to include their own proposals within proxy statements provided to security holders of an issuer.

Mandates SEC regulations to: (1) require prior shareholder approval of stock option compensation plans that do not treat such options as an expense for the purpose of ascertaining income, profit, or loss in the financial documents of the issuer; (2) ban preferential treatment of directors or officers after or in anticipation of a declaration of bankruptcy by an issuer; and (3) require prompt public disclosure of loans and loan terms made by an issuer to an officer or director.

Mandates director disclosure of items of value received by the director or the director's family.

Actions Timeline

- **May 6, 2002:** Introduced in Senate
- **May 6, 2002:** Sponsor introductory remarks on measure. (CR S2868)
- **May 6, 2002:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.