

## HR 4790

Shareholder Protection Act of 2010

**Congress:** 111 (2009–2011, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Mar 9, 2010

**Current Status:** Placed on the Union Calendar, Calendar No. 362.

**Latest Action:** Placed on the Union Calendar, Calendar No. 362. (Sep 22, 2010)

**Official Text:** <https://www.congress.gov/bill/111th-congress/house-bill/4790>

### Sponsor

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**Name:** Rep. Capuano, Michael E. [D-MA-8]

**Party:** Democratic • **State:** MA • **Chamber:** House

**Cosponsors** (49 total)

<b>Cosponsor</b>	<b>Party / State</b>	<b>Role</b>	<b>Date Joined</b>
Rep. Ackerman, Gary L. [D-NY-5]	D · NY		Mar 9, 2010
Rep. Filner, Bob [D-CA-51]	D · CA		Mar 9, 2010
Rep. Grayson, Alan [D-FL-8]	D · FL		Mar 9, 2010
Rep. Himes, James A. [D-CT-4]	D · CT		Mar 9, 2010
Rep. Holt, Rush [D-NJ-12]	D · NJ		Mar 9, 2010
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		Mar 9, 2010
Rep. Pallone, Frank, Jr. [D-NJ-6]	D · NJ		Mar 9, 2010
Rep. Peters, Gary C. [D-MI-9]	D · MI		Mar 9, 2010
Rep. Roybal-Allard, Lucille [D-CA-34]	D · CA		Mar 9, 2010
Rep. Frank, Barney [D-MA-4]	D · MA		Mar 12, 2010
Rep. McGovern, James P. [D-MA-3]	D · MA		Mar 12, 2010
Rep. Moore, Gwen [D-WI-4]	D · WI		Mar 12, 2010
Rep. Rothman, Steven R. [D-NJ-9]	D · NJ		Mar 12, 2010
Rep. Garamendi, John [D-CA-10]	D · CA		Mar 16, 2010
Rep. Gutierrez, Luis V. [D-IL-4]	D · IL		Mar 16, 2010
Rep. Kilroy, Mary Jo [D-OH-15]	D · OH		Mar 16, 2010
Rep. Larson, John B. [D-CT-1]	D · CT		Mar 16, 2010
Rep. Pascrell, Bill, Jr. [D-NJ-8]	D · NJ		Mar 16, 2010
Rep. Cummings, Elijah E. [D-MD-7]	D · MD		Mar 25, 2010
Rep. Grijalva, Raúl M. [D-AZ-7]	D · AZ		Mar 25, 2010
Rep. Heinrich, Martin [D-NM-1]	D · NM		Mar 25, 2010
Rep. Waters, Maxine [D-CA-35]	D · CA		Mar 25, 2010
Rep. Weiner, Anthony D. [D-NY-9]	D · NY		Mar 25, 2010
Rep. Conyers, John, Jr. [D-MI-14]	D · MI		Apr 14, 2010
Rep. Green, Gene [D-TX-29]	D · TX		Apr 14, 2010
Rep. Hodes, Paul W. [D-NH-2]	D · NH		Apr 14, 2010
Rep. Lynch, Stephen F. [D-MA-9]	D · MA		Apr 14, 2010
Rep. Napolitano, Grace F. [D-CA-38]	D · CA		Apr 14, 2010
Rep. Olver, John W. [D-MA-1]	D · MA		Apr 14, 2010
Rep. Sarbanes, John P. [D-MD-3]	D · MD		Apr 14, 2010
Rep. Woolsey, Lynn C. [D-CA-6]	D · CA		Apr 14, 2010
Rep. Blumenauer, Earl [D-OR-3]	D · OR		Apr 21, 2010
Rep. Foster, Bill [D-IL-14]	D · IL		Apr 21, 2010
Rep. Hinchey, Maurice D. [D-NY-22]	D · NY		Apr 21, 2010
Rep. Kilpatrick, Carolyn C. [D-MI-13]	D · MI		Apr 21, 2010
Rep. Hirono, Mazie K. [D-HI-2]	D · HI		Apr 26, 2010
Rep. Sánchez, Linda T. [D-CA-39]	D · CA		Apr 26, 2010
Rep. Shea-Porter, Carol [D-NH-1]	D · NH		Apr 26, 2010
Rep. DeLauro, Rosa L. [D-CT-3]	D · CT		May 5, 2010
Rep. Hall, John J. [D-NY-19]	D · NY		May 5, 2010
Rep. Watson, Diane E. [D-CA-33]	D · CA		May 5, 2010

Cosponsor	Party / State	Role	Date Joined
Rep. Welch, Peter [D-VT-At Large]	D · VT		May 5, 2010
Rep. Edwards, Donna F. [D-MD-4]	D · MD		May 18, 2010
Rep. Jackson, Jesse L., Jr. [D-IL-2]	D · IL		May 18, 2010
Rep. Perlmutter, Ed [D-CO-7]	D · CO		May 27, 2010
Rep. Polis, Jared [D-CO-2]	D · CO		Jun 17, 2010
Rep. Sherman, Brad [D-CA-27]	D · CA		Jul 22, 2010
Del. Norton, Eleanor Holmes [D-DC-At Large]	D · DC		Jul 26, 2010
Rep. Clay, Wm. Lacy [D-MO-1]	D · MO		Jul 26, 2010

## Committee Activity

Committee	Chamber	Activity	Date
Committee on House Administration	House	Discharged From	Sep 22, 2010
Financial Services Committee	House	Reported By	Sep 22, 2010

## Subjects & Policy Tags

### Policy Area:

Finance and Financial Sector

## Related Bills

Bill	Relationship	Last Action
111 HR 4537	Related bill	<b>Jan 27, 2010:</b> Referred to the House Committee on Financial Services.

Shareholder Protection Act of 2010 - (Sec. 3) Amends the Securities Exchange Act of 1934 to require that any solicitation of a proxy, consent, or authorization with respect to any security of an issuer: (1) describe the specific nature and total amount of expenditures proposed for political activities for the forthcoming fiscal year; and (2) provide for a separate shareholder vote to authorize such proposed expenditures.

Prohibits an issuer from making an expenditure for political activities in any fiscal year unless: (1) such expenditure meets the requirements of this Act; and (2) authorization for such expenditure has been granted by votes representing a majority of outstanding shares.

Deems a violation of such prohibition a breach of the fiduciary duty of the officers and directors who authorized the expenditure. Subjects officers and directors who authorize the expenditure without prior shareholder authorization to joint and several liability to any individual shareholder or class of individuals who held shares at the time of such expenditure for three times the expenditure's amount.

Requires institutional investment managers to disclose annually in mandatory reports how they voted on corporate political expenditures. Requires the Securities and Exchange Commission (SEC) to promulgate regulations requiring: (1) investment managers to report how they voted within 30 days after the vote; and (2) the report to be made available to the public through the EDGAR system.

Prohibits any person from bringing any civil, criminal, or administrative action against an institutional investment manager, or any of its employees, officers, or directors, based solely upon the investment manager's decision to either divest from, or not to invest in, the securities of an issuer based upon political expenditures made by that issuer. Applies this prohibition only to an institutional investment manager, or its employees, officers, or directors, that makes such disclosures in accordance with SEC regulations.

(Sec. 4) Requires the SEC to direct the national securities exchanges and national securities associations to prohibit the listing of any class of equity security of an issuer whose corporate bylaws do not expressly provide for a vote by its board of directors on any individual expenditure: (1) for political activities in excess of \$50,000; or (2) that makes the total expenditures by the issuer for a particular election \$50,000 or more. Requires an issuer to make the individual votes of the directors regarding any such expenditure publicly available within 48 hours.

(Sec. 5) Directs the SEC to: (1) require issuers to disclose expenditures for political activities made during the preceding quarter, along with specified details, and the individual votes by board members authorizing such expenditures; (2) make such reports publicly available on its SEC website and through the EDGAR system; and (3) require each issuer to include in its annual report to shareholders a summary of all expenditures for political activities made during the preceding year in excess of \$10,000.

Directs the SEC to require each issuer to: (1) obtain and disclose in its mandatory reports any materials created with or purchased by any expenditure for political activities; and (2) disclose such materials in a clear and conspicuous location on its Internet website within 48 hours of obtaining the materials.

(Sec. 6) Directs the SEC to assess and report to Congress annually on the compliance of public corporations and their management with the requirements of this Act. Requires the Comptroller General to evaluate and report periodically to Congress on the effectiveness of the SEC's oversight of its reporting and disclosure requirements.

## **Actions Timeline**

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- **Sep 22, 2010:** Reported (Amended) by the Committee on Financial Services. H. Rept. 111-620, Part I.
- **Sep 22, 2010:** Committee on House Administration discharged.
- **Sep 22, 2010:** Placed on the Union Calendar, Calendar No. 362.
- **Jul 29, 2010:** Committee Consideration and Mark-up Session Held.
- **Jul 29, 2010:** Ordered to be Reported (Amended) by the Yeas and Nays: 35 - 28.
- **Mar 9, 2010:** Introduced in House
- **Mar 9, 2010:** Referred to House Financial Services
- **Mar 9, 2010:** Referred to the Committee on Financial Services, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
- **Mar 9, 2010:** Referred to House Administration

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