

HR 2517

Shareholder Protection Act of 2011

Congress: 112 (2011–2013, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jul 13, 2011

Current Status: Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises.

Latest Action: Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises. (Aug 22, 2011)

Official Text: <https://www.congress.gov/bill/112th-congress/house-bill/2517>

Sponsor

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

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

Cosponsors (49 total)

| Cosponsor | Party / State | Role | Date Joined |
|---|---------------|------|--------------|
| Del. Norton, Eleanor Holmes [D-DC-At Large] | D · DC | | Jul 13, 2011 |
| Rep. Ackerman, Gary L. [D-NY-5] | D · NY | | Jul 13, 2011 |
| Rep. Blumenauer, Earl [D-OR-3] | D · OR | | Jul 13, 2011 |
| Rep. Butterfield, G. K. [D-NC-1] | D · NC | | Jul 13, 2011 |
| Rep. Cohen, Steve [D-TN-9] | D · TN | | Jul 13, 2011 |
| Rep. Conyers, John, Jr. [D-MI-14] | D · MI | | Jul 13, 2011 |
| Rep. DeFazio, Peter A. [D-OR-4] | D · OR | | Jul 13, 2011 |
| Rep. DeLauro, Rosa L. [D-CT-3] | D · CT | | Jul 13, 2011 |
| Rep. Edwards, Donna F. [D-MD-4] | D · MD | | Jul 13, 2011 |
| Rep. Ellison, Keith [D-MN-5] | D · MN | | Jul 13, 2011 |
| Rep. Eshoo, Anna G. [D-CA-14] | D · CA | | Jul 13, 2011 |
| Rep. Filner, Bob [D-CA-51] | D · CA | | Jul 13, 2011 |
| Rep. Grijalva, Raúl M. [D-AZ-7] | D · AZ | | Jul 13, 2011 |
| Rep. Heinrich, Martin [D-NM-1] | D · NM | | Jul 13, 2011 |
| Rep. Hinchey, Maurice D. [D-NY-22] | D · NY | | Jul 13, 2011 |
| Rep. Hirono, Mazie K. [D-HI-2] | D · HI | | Jul 13, 2011 |
| Rep. Jackson, Jesse L., Jr. [D-IL-2] | D · IL | | Jul 13, 2011 |
| Rep. Kaptur, Marcy [D-OH-9] | D · OH | | Jul 13, 2011 |
| Rep. Larson, John B. [D-CT-1] | D · CT | | Jul 13, 2011 |
| Rep. Lee, Barbara [D-CA-9] | D · CA | | Jul 13, 2011 |
| Rep. Lynch, Stephen F. [D-MA-9] | D · MA | | Jul 13, 2011 |
| Rep. Maloney, Carolyn B. [D-NY-14] | D · NY | | Jul 13, 2011 |
| Rep. McDermott, Jim [D-WA-7] | D · WA | | Jul 13, 2011 |
| Rep. McGovern, James P. [D-MA-3] | D · MA | | Jul 13, 2011 |
| Rep. Moore, Gwen [D-WI-4] | D · WI | | Jul 13, 2011 |
| Rep. Moran, James P. [D-VA-8] | D · VA | | Jul 13, 2011 |
| Rep. Olver, John W. [D-MA-1] | D · MA | | Jul 13, 2011 |
| Rep. Pallone, Frank, Jr. [D-NJ-6] | D · NJ | | Jul 13, 2011 |
| Rep. Pascrell, Bill, Jr. [D-NJ-8] | D · NJ | | Jul 13, 2011 |
| Rep. Pingree, Chellie [D-ME-1] | D · ME | | Jul 13, 2011 |
| Rep. Polis, Jared [D-CO-2] | D · CO | | Jul 13, 2011 |
| Rep. Rangel, Charles B. [D-NY-15] | D · NY | | Jul 13, 2011 |
| Rep. Rothman, Steven R. [D-NJ-9] | D · NJ | | Jul 13, 2011 |
| Rep. Roybal-Allard, Lucille [D-CA-34] | D · CA | | Jul 13, 2011 |
| Rep. Sarbanes, John P. [D-MD-3] | D · MD | | Jul 13, 2011 |
| Rep. Slaughter, Louise McIntosh [D-NY-28] | D · NY | | Jul 13, 2011 |
| Rep. Stark, Fortney Pete [D-CA-13] | D · CA | | Jul 13, 2011 |
| Rep. Tonko, Paul [D-NY-21] | D · NY | | Jul 13, 2011 |
| Rep. Waters, Maxine [D-CA-35] | D · CA | | Jul 13, 2011 |
| Rep. Welch, Peter [D-VT-At Large] | D · VT | | Jul 13, 2011 |
| Rep. Woolsey, Lynn C. [D-CA-6] | D · CA | | Jul 13, 2011 |

| Cosponsor | Party / State | Role | Date Joined |
|------------------------------------|---------------|------|--------------|
| Rep. Yarmuth, John A. [D-KY-3] | D · KY | | Jul 13, 2011 |
| Rep. Connolly, Gerald E. [D-VA-11] | D · VA | | Sep 7, 2011 |
| Rep. Cummings, Elijah E. [D-MD-7] | D · MD | | Sep 7, 2011 |
| Rep. Lofgren, Zoe [D-CA-16] | D · CA | | Sep 12, 2011 |
| Rep. Peters, Gary C. [D-MI-9] | D · MI | | Sep 22, 2011 |
| Rep. Cicilline, David N. [D-RI-1] | D · RI | | Oct 12, 2011 |
| Rep. Frank, Barney [D-MA-4] | D · MA | | Feb 8, 2012 |
| Rep. Davis, Susan A. [D-CA-53] | D · CA | | Mar 20, 2012 |

Committee Activity

| Committee | Chamber | Activity | Date |
|------------------------------|---------|-------------|--------------|
| Financial Services Committee | House | Referred to | Aug 22, 2011 |

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

| Bill | Relationship | Last Action |
|------------|----------------|---|
| 112 S 1360 | Identical bill | Jul 13, 2011: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. |

Shareholder Protection Act of 2011 - 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 (to the extent known) and total amount of expenditures proposed for political activities for the forthcoming fiscal year but not yet authorized by a vote of the issuer's shareholders, 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 is of the nature of those proposed by the issuer according to 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 this requirement to be a breach of the fiduciary duty of the officers and directors who authorized such expenditure. Subjects officers and directors who authorize the expenditure without prior shareholder authorization to joint and several liability to any shareholder or class of shareholders for the amount of such expenditure.

Requires certain institutional investment managers to disclose annually in mandatory reports how they voted (proxies) in certain shareholder votes.

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 divest from, or not to invest in, securities of an issuer because of expenditures for political activities made by that issuer.

Requires the Securities and Exchange Commission (SEC) to direct the national securities exchanges and national securities associations to prohibit the listing of any equity security of an issuer whose corporate bylaws do not expressly provide for a vote of the issuer's directors on any individual expenditure for political activities in excess of \$50,000. Requires an issuer to make public, within 48 hours, the individual votes of the directors regarding any such expenditure.

Directs the SEC to: (1) require issuers to disclose expenditures for political activities made during the preceding quarter and the individual votes by board members authorizing such expenditures; and (2) make such reports publicly available through the SEC website.

Requires the SEC to make annual assessments of the compliance by public corporations and their management with the reporting and disclosure requirements of this Act, and the Comptroller General (GAO) to evaluate periodically the effectiveness of SEC oversight of these requirements.

Actions Timeline

- **Aug 22, 2011:** Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises.
- **Jul 13, 2011:** Introduced in House
- **Jul 13, 2011:** Referred to the House Committee on Financial Services.