



American Bankers Association
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ABA Launches Special Site to Track Dodd-Frank Implementation

ABA has launched a new online resource -- the ABA Dodd-Frank Tracker -- to help bankers keep up with the wide range of Dodd-Frank Act implementation issues. The site enables bankers to follow specific Dodd-Frank Act issues, provides an archive of ABA's work during the implementation process, and highlights the expanding resources the association offers its members.

Features of the tracker include news stories on Dodd-Frank Act proposals, comment letters and rules; a calendar of comment letter deadlines; and links to ABA resources. Special sections focus on key Dodd-Frank Act issues, such as interchange, deposit insurance and the Consumer Financial Protection Bureau. Visitors can sign up to receive updates -- via e-mail or RSS -- as new content is posted. [Visit the Dodd-Frank Tracker.](#)

ABA Urges SEC to Exempt Community Banks From Say-on-Pay Proposal

On November 18, ABA urged the Securities and Exchange Commission to exempt publicly traded community banks from the requirements of a proposed rule -- implementing the Dodd-Frank Act's Section 951 -- that would enable shareholders to cast advisory votes on executive compensation and golden parachute arrangements.

"Recognizing that not all issuers should necessarily be treated the same, Congress specifically gave the [SEC] authority to exempt an issuer or class of issuers from the say on pay vote requirements, and in particular directed the [SEC] to take into account whether the requirements disproportionately burden small issuers," ABA said in a comment letter.

The association explained that community banks, unlike other types of issuers, often have local shareholders who do not necessarily rely on SEC-required reports to make their investment decisions. ABA added that, unlike institutional investors, those individual investors often do not have the resources to compare the bank's compensation information with comparable banks, which potentially makes the new information in the proxy misleading or confusing.

"The burden of this proposal, as well as others, will be felt acutely by community banks because, unlike other registered companies, community banks' resources are already strained to the breaking point by the crushing, cumulative burden of bank regulation," ABA said. "This burden is especially great for smaller corporations that do not have large corporate communications staffs. Given the particular characteristics of

community banks, we urge the SEC to exempt them as a class of issuer from the rule's requirements." [Read the letter.](#) [Read the proposed rule.](#) For more information, contact ABA's [Phoebe Papageorgiou.](#)

ICI Releases Study on Funds' Voting Trends

The Investment Company Institute (ICI) released a study of more than 10 million votes cast by registered investment companies for the three years between 2007 and 2009. The study findings showed that funds approved 50 percent of all types of shareholder proposals in 2009, a dramatic increase from the 35 percent in 2007. The study findings showed that the proportion of times that funds withheld votes from director nominees increased notably from 2007 to 2009. "Some funds, to express concerns about executive pay, withheld votes more often from directors on board compensation committees."

The study also highlighted the fact that most shareholder proposals are sponsored by a small number of proponents. "For example, over the three-year period from 2007 to 2009, shareholders sponsored a total of 1,882 proposals at the 3,000 largest publicly traded U.S. companies. Just 12 separate proponents sponsored about half of these proposals (976 proposals), with three individuals by themselves accounting for nearly 25 percent of all proposals (447 proposals)."

Read the [ICI press release.](#) Read the [ICI Report.](#)

FDIC Issues Golden Parachute Guidance for Troubled Banks

In October, the FDIC issued updated guidance on how troubled banks -- with a composite CAMELS 4 or 5 rating -- can obtain approval for making golden-parachute payments. Current regulations prohibit troubled institutions from making such payments. But exceptions are permitted in situations where regulators concur; in the case of a "white knight" brought in to save the institution; and for an employee terminated in a change of control.

The new guidance requires that the applicant demonstrate that the employee who is leaving has not committed any fraudulent act, breach of trust or fiduciary duty, or insider abuse that has adversely affected the institution; is not "substantially responsible" for the bank's insolvency or troubled condition; and hasn't violated any federal or state banking law that had a material effect on the institution.

The guidance also establishes a de-minimis golden parachute payment of up to \$5,000 for lower-level employees that would not require a supervisory application in most cases. [Read more.](#) [Read the guidance.](#)

[ABA Corporate Governance Resources & Links](#)

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