

Gregory Burke, CPA

Duke University

**Motivating Question:**

How do securities regulators make decisions?

**Research Questions:**

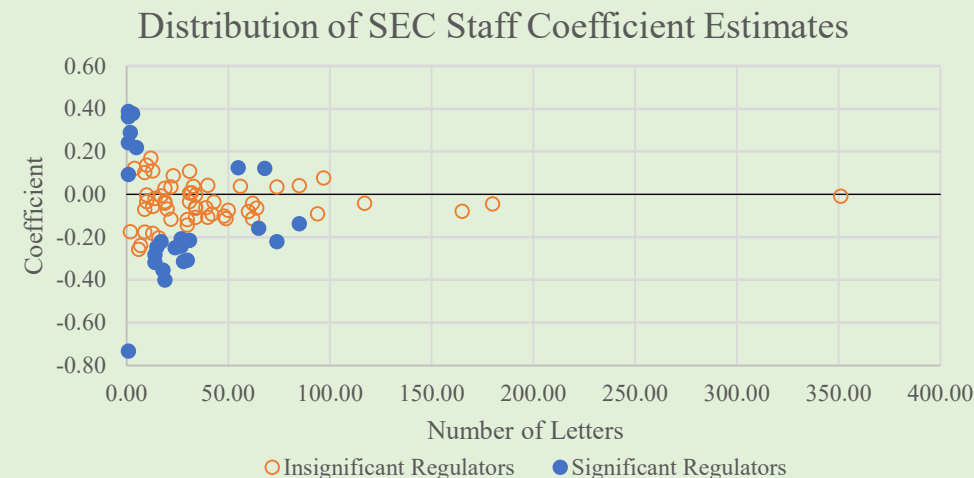
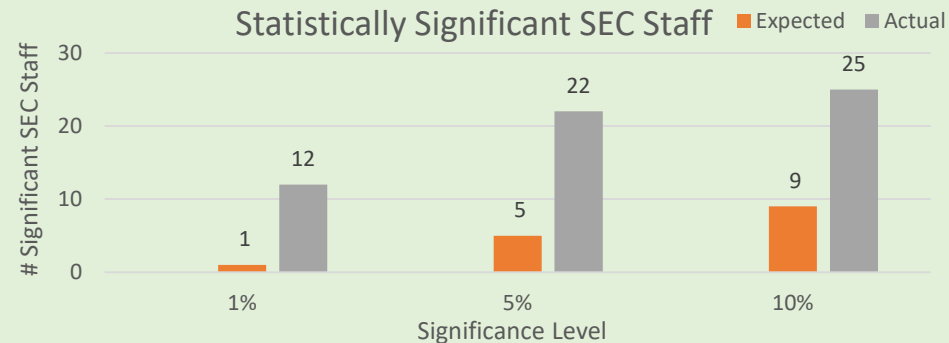
What factors are associated the SEC's decision to allow firms to exclude shareholder proposals?

Are individual staff associated with the SEC's decision?

**Motivation:**

Shareholder voting is a valuable shareholder right, but little is known about shareholder proposals that never make it to the proxy. Matsusaka et al. (2019) documents the first set of determinants to the SEC's decision to grant no-action relief.

My paper documents some of the determinants of the SEC's decision to allow management to exclude shareholder proposals from the proxy and shows SEC staff have a reliable association with SEC decisions, holding these determinants constant.



**Conclusions:**

Individually, **proposal topic**, **proponent type**, and the **exclusionary criteria** requested by the management have significant associations with the SEC granting no-action relief.

Individual **SEC staff** have a significant association with exclusion.

**Main Specification:**

$$\begin{aligned}
 \text{Concur}_i = & \alpha_0 + \sum_j \beta_j * \text{Exclusionary\_Bases}_{ji} + \\
 & \sum_k \beta_k * \text{Proponent\_Type}_{ki} + \\
 & \sum_m \beta_m * \text{Firm\_Characteristics}_{mi} + \\
 & \sum_n \beta_n * \text{Proposal\_Topic}_{ni} + \beta_1 * \text{Democratic\_SEC}_i + \\
 & \sum_p \beta_p * \text{Regulator}_{pi} + \varepsilon_i
 \end{aligned}$$

F-stat over **Regulator**<sub>pi</sub> = 7.86 with a p-value < 0.01