

111TH CONGRESS
2D SESSION

H. R. 4487

To require the approval of a majority of a public company's shareholders for any expenditure by that company to influence public opinion on matters not related to the company's products or services.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2010

Mr. GRAYSON introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To require the approval of a majority of a public company's shareholders for any expenditure by that company to influence public opinion on matters not related to the company's products or services.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “End the Hijacking of
5 Shareholder Funds Act”.

1 **SEC. 2. SHAREHOLDER APPROVAL FOR CERTAIN EXPENDI-**
2 **TURES.**

3 Any expenditure by a public company to influence
4 public opinion on matters not related to the company's
5 products or services that has not been approved by a ma-
6 jority of the votes cast by shareholders to approve or dis-
7 approve such expenditure shall be considered a breach of
8 a fiduciary duty of the officers and directors who author-
9 ized such an expenditure. The officers and directors who
10 authorize such an expenditure without first obtaining such
11 approval of shareholders shall be jointly and severally lia-
12 ble in any action brought in any court of competent juris-
13 diction to any shareholder or class of shareholders for the
14 amount of such expenditure.

15 **SEC. 3. DEFINITIONS.**

16 As used in this Act—

17 (1) the term “public company” means any
18 issuer that is required to submit periodical or other
19 reports under section 13 of the Securities Exchange
20 Act of 1934 (15 U.S.C. 78m); and

21 (2) the term “shareholder” means any person
22 who owns or holds a share of stock in a public com-
23 pany.

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