Petition for Rulemaking: Guidance to Registrants Regarding Abuse of Virtual Shareholder Meetings

July 10, 2026

Submitted by:

Free Enterprise Project
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2005 Massachusetts Ave., NW
Washington, D.C. 20036

Submitted to:

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Attention: Secretary, U.S. Securities and Exchange Commission

Pursuant to Rule 192(a) of the Commission's Rules of Practice, we request that the Commission issue guidance to publicly traded companies regarding the widespread abuse of virtual shareholder meetings.

The National Center for Public Policy Research is a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. The National Center's Free Enterprise Project works to ensure that publicly traded companies remain focused on their role of creating societal wealth while staying within the bounds of the law, including respecting their fiduciary obligations. One of these obligations, as required by Commission-approved self-regulatory organization rules, is to hold annual meetings.

As pertinent background to this proposal, investing has unfortunately become politicized. Whereas corporations were formerly and exclusively concerned about achieving financial success, they have been hijacked by partisan political activists. Publicly traded companies have been converted into useful tools for achieving partisan social and political agendas through ideological campaigns such as "socially responsible investing" (SRI), "corporate social responsibility" (CSR), and, most recently, "environmental, social, and governance" (ESG) investing.

Partisan political activists have successfully exploited the securities laws and regulations—especially through the Rule 14a-8 (proxy) process—to capture publicly traded corporations and to turn them against the very public meant to benefit from their role as societal wealth creation machines. Now that this has been accomplished, the Commission—a free market-oriented one, at that—ironically is both passively allowing and actively working to lock in the gains of anti-free enterprise activists. Our immediate concern is the Commission's passivity with respect to the deterioration of annual shareholder meetings.

Since the COVID-19 era, many U.S. companies have been holding truncated and perfunctory shareholder meetings exclusively online. These brief virtual meetings deprive shareholders of their rights, as permitted by state law, to interface directly and meaningfully with corporate management at annual meetings. While virtual shareholder meetings may have made sense during the pandemic, the pandemic is over. Yet the virtual "shareholder meetings" continue.

In our experience, these virtual meetings may merely consist of: (1) a terse reading of boilerplate procedural matters; (2) a very brief presentation of shareholder proposals, if any, with no response from management; and (3) a brief period for pre-selected questions from essentially anonymous shareholders and terse non-spontaneous and non-responsive answers from management. Shareholders—and the media—can only hear, but not see, corporate management and the boards of directors at the annual meetings.

This contrasts with pre-COVID annual meetings that featured: (1) management presentations of corporate results, initiatives, and plans; (2) the opportunity for shareholders to comment on board members prior to board elections; (3) in-person shareholder presentations and responses; and (4) spontaneous shareholder questions and management responses.

Today's shareholder meetings are *pro forma* box-checking exercises for management—meetings that may as well be conducted by AI bots. Shareholders are meaningfully deprived of their rights to reasonably interact with management at meetings.

Commission-approved rules of the New York Stock Exchange and Nasdaq require companies to hold annual meetings. Presumably, these rules contemplate substantive vs. pro-forma ones. It is, therefore, well within the purview of the Commission to enforce these rules, consistent with state laws. Our request is simple and essential: Companies should return to in-person meetings and also allow shareholders to attend virtually, including a live video feed of the meeting.

We are asking the Commission to take action as soon as possible under its existing regulatory powers to remedy this situation so that the 2026-2027 annual meeting season does not become another year of management wrongfully, if not shamefully, ducking interaction with shareholders. Please let us know if you need more information.

Sincerely,

Steve Milloy

Steve Milloy
Executive Director
Free Enterprise Project
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