

Executive Compensation Litigation: New Risks and Latest Strategies

MARCH 13, 2013

Winston & Strawn hosted an eLunch titled “Executive Compensation Litigation: New Risks and Latest Strategies” on Wednesday, March 13, 2013 at 12:15 – 1:30 p.m. (Central).

As this year’s proxy season begins, plaintiffs’ class action lawyers are gearing up for action, with an increasing wave of executive compensation disclosure-related shareholder suits being filed. These lawsuits, filed in the weeks leading up to public company annual shareholders meetings, attempt to gain leverage by seeking to enjoin or postpone the annual meeting. Such lawsuits typically claim that the companies’ disclosures on the executive compensation matters up for a shareholder vote are inadequate and, thus, the shareholders will be unable to make an informed choice absent additional disclosure.

What can the approximately 2,000 U.S. public companies preparing to hold their annual meeting in the spring do to counter this threat? While nothing can prevent plaintiffs’ lawyers from filing a suit, companies can and should take a few relatively inexpensive steps now, before filing their annual meeting notice, and in preparing their proxy statement. And, should litigation ensue, lessons learned from a decade of shareholder suits seeking to enjoin the merger-related shareholders meeting can be deployed to minimize the threat posed to a company’s annual meeting.

In our second eLunch briefing on the recent rise in executive compensation litigation*, Winston & Strawn partner James P. Smith III led an interactive webinar designed to help attendees understand what to do now to ensure companies are prepared to mitigate the risks inherent in these lawsuits.

Our panel, consisting of an executive compensation disclosure attorney and securities/corporate governance litigators, provided practical advice on the following hot button issues:

- Disclosure deficiencies in the bulls eye: What are plaintiffs’ lawyers targeting?
- How to carefully review and draft the executive compensation disclosures required in your proxy statement and notice of annual meeting materials;
- How to dissuade plaintiffs’ lawyers from suing and how to defend the lawsuit if it is filed;
- Defeating the motion for a TRO or preliminary injunction; and
- Preparing your rapid response team.

*Please click [here](#) to view the first eLunch presentation in this series.

[Contact Winston & Strawn for more information about this event.](#)

An eLunch is a complimentary, interactive seminar where participants watch and listen to a presentation given by Winston & Strawn attorneys over the Internet.

Clients and friends of the firm are invited to attend seminars and events. We reserve the right to limit attendance at any firm event.

NOTE: CLE credit is not available for listening to our pre-recorded eLunch or webinar briefings.

2 Min Read

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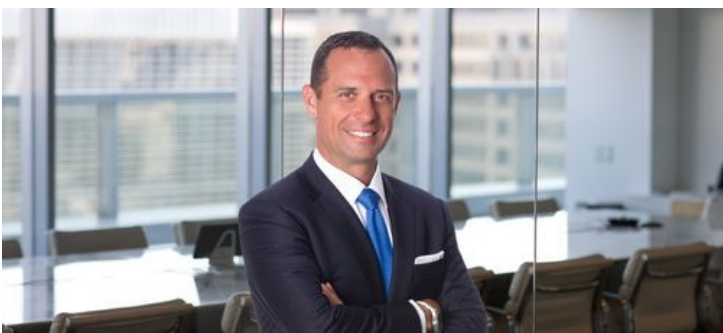
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James P. Smith III