

Dear STA Buy Side Member,

***Disclaimer** - The STA is conducting research on certain business practices between third party vendors and the investor relation programs they service involving shareholder identification. This letter is meant to solicit your input and therefore should not be considered legal advice or construed as making allegations of misconduct by third parties. Our goal is to inform and gather input from our buy side members.

Executive Summary:

The [Sarbanes-Oxley Act](#) of 2002 significantly increased the importance of investor relations in the financial markets. The act established new requirements for corporate governance and regulatory compliance, with an increased emphasis on accuracy in auditing and public disclosure. The importance of investor relation program further increased under Dodd Frank. Communicating with investors is a primary function of Investor Relation Officers, "IRO's".

Today roughly 75% of shares of public companies are held in "street name". In gathering shareholder information used in their communications IROs have certain publically available means such as:

- 13F Filings – Long positions, filed within 45 days at the end of each quarter by certain managers.
- Security Position Reports, SPR produced by DTC – Shareholder information at the custodian level

In addition, there are third parties who offer a suite of services to investor relation programs. One such service is shareholder identification. Some third parties employ teams of researchers or analysts to assist in providing additional information around what is publically available. A quote from one such service provider is:

"Unlike other firms that specialise in the delivery of publicly available data, our approach is proprietary and research-based, resulting in the most accurate and actionable shareholder and bondholder intelligence available."

It would help us in our research if you could provide input on whether any third parties contact your firms directly inquiring on holdings in the public companies they represent and on what legal grounds they state for needing this information.

Additional links:

The most highly regarded professional member organization for Investor Relations in the United States is the National Investor Relations Institute, or [NIRI](#).

While in Canada, the professional association is called the Canadian Investor Relations Institute, or [CIRI](#).

NIRI Regulatory Reform [report](#)

STA March 2013 Comment [Letter](#) - Petition for Rulemaking on shortening reporting time on 13(f) filings