



---

## Resources and Advisory Services

---

# How Broadridge Helps Activists

We've had occasion to transact directly with this seemingly opaque and possibly frustrating shareholder intermediary. It's actually pretty straightforward. It pays to know what Broadridge can do for an activist, especially in the early stages of an activist project. Importantly, you can get the initial information needed to profile the shareholders in a portfolio company at no cost just by asking them.

### What Broadridge does

[Broadridge](#) provides a wide range of services to a long list of financial companies. For our purposes, activists should know about the [Corporate Issuer](#) segment, the one that serves portfolio companies.

For those companies, Broadridge mainly distributes information to company shareholders. It does this through the broker/dealers and other custodians that hold shares on behalf of clients, and thus maintain shareholder contact data. These custodians become Broadridge's actual clients, who choose an intermediary from among Broadridge and a small number of others. Companies (and activists), rather than custodians, pay Broadridge for its services.

Broadridge has competitors. Mediant also handles essentially the same things for custodians. Say Technologies does this for Robinhood accounts, as Robinhood owns Say. Broadridge has something like an 80% market share, meaning its clients have custody of about 80% of all public company shares.

Broadridge does not maintain shareholder data; custodians do that. Instead, when a company needs to distribute information to its shareholders, such as proxy materials, Broadridge first obtains shareholder data from the custodians that have shares for that company. It will usually do this once the company sets a record date for a vote. Then, it will distribute proxy materials or whatever else a company (or activist) wants to send to shareholders.

### What Broadridge does for activists

Broadridge will handle whatever written communications an activist wants shareholders to receive. This of course entails a proxy statement and card, letters, news releases, presentations, tweets, website screen shots, and anything else

you want or need to send out. It can send full packages of printed proxy materials, or a simple notice-and-access postcard. It can send hard copy, emails, or both.

Broadridge charges for this, of course. NYSE sets the [fee schedule](#), which is the same for companies and activists. Cost for a given communication depends on the number of brokerage accounts ("positions") that an activist wants to reach, and whether Broadridge sends hard copy or email.

It takes some experience to decipher the fee schedule. The critical item is the "Contested Solicitations Mailings" fees, which are \$1.25 per position for each communication, with a \$5,000 minimum. Otherwise, Broadridge staff will provide a fee estimate based on the type and extent of communication needed (more below).

### What Broadridge will do for an activist project

An activist can begin by profiling a company's shareholders. Broadridge will provide shareholder distribution and custodian listing reports at no cost. The shareholder distribution report is more useful, although the custodian listing can also help somewhat.

Shareholder distribution, also called the share range report:

SHARE RANGE ANALYSIS			
		PRE-SUPPRESS	
JOB: S86317 CUSIP: xxxxxx ISSUER: company			
LOW	ACCTS	SHARES	
1	1,033	7,717	0%
25	310	10,260	0%
50	218	12,092	0%
75	85	7,004	0%
100	770	110,659	0%
250	385	128,120	1%
500	281	161,387	1%
750	93	78,144	0%
1,000	445	558,110	2%
2,000	189	430,511	2%
3,000	103	331,698	1%
4,000	64	273,606	1%
5,000	191	1,263,984	5%
10,000	155	2,019,822	8%
20,000	70	1,590,908	6%
30,000	31	1,020,105	4%
40,000	29	1,226,793	5%
50,000	32	1,853,386	7%
75,000	27	2,345,344	9%
100,000	33	4,768,312	19%
250,000	9	2,960,453	12%
500,000	3	1,871,917	7%
1,000,000	2	2,332,036	9%
<b>TOTALS</b>	<b>4,558</b>	<b>25,362,368</b>	<b>100%</b>

This report shows the number of accounts or positions within a given share count, and the total number of shares in that range. For this company, two accounts each have over 1 million shares, with a total of 2.3 million shares, or 9% of the total. Three accounts each have between 500,000 and 1 million shares, with a total of 1.9 million shares, or 7% of the total.

An activist can use this report to understand what a solicitation of various sizes might cost. For example, with this shareholder base an activist would need to solicit only 135 accounts (out of 4,558) to comply with the two-thirds minimum under the universal proxy rules:

- soliciting only accounts with 40,000 shares or more will capture 68% of the outstanding shares
- 135 accounts, out of 4,558 total, have 40,000 shares or more.

An activist might and probably will want to solicit more than two-thirds, of course. This analysis provides a starting point for understanding the benefits and costs of different levels of solicitation effort.

Custodian listing, also called the Issuer Position Merged (IPM) report:

Record Date	CUSIP	Issuer	Client	Items	Shares
3/26/24	xxxxxx	company	WEALTHSIMPLE INV	248	59,732
3/26/24	xxxxxx	company	QUESTRADE INC.	55	83,267
3/26/24	xxxxxx	company	RBC DOMINION SEC	29	102,009
3/26/24	xxxxxx	company	CIBC WORLD MARKE	12	6,789
3/26/24	xxxxxx	company	SCOTIA CAPITAL I	14	59,143
3/26/24	xxxxxx	company	WEBBUSH SECURITI	2	120
3/26/24	xxxxxx	company	BROWN BROTHERS H	3	80,737
3/26/24	xxxxxx	company	MORGAN STANLEY &	9	804,264
3/26/24	xxxxxx	company	ABN AMRO CLEARIN	1	1,926
3/26/24	xxxxxx	company	BNP PARIBAS SA	5	90,683
3/26/24	xxxxxx	company	BLACKROCK	1	59,317
3/26/24	xxxxxx	company	APEX CLEARING CO	252	133,903
3/26/24	xxxxxx	company	CHARLES SCHWAB &	1584	7,677,154
3/26/24	xxxxxx	company	FIRST HORIZON BA	1	262
3/26/24	xxxxxx	company	UBS FINANCIAL SE	14	191,143
3/26/24	xxxxxx	company	RBC WEALTH MANAG	17	1,352,849
3/26/24	xxxxxx	company	TRADEUP SECURITI	5	20,982
3/26/24	xxxxxx	company	MERRILL LYNCH	125	391,826
3/26/24	xxxxxx	company	U.S. BANK	1	26,000
3/26/24	xxxxxx	company	TRADESTATION SEC	5	15,042
3/26/24	xxxxxx	company	PHILLIP CAPITAL	2	1,293
3/26/24	xxxxxx	company	IG	3	329
3/26/24	xxxxxx	company	PERSHING LLC	109	297,445
3/26/24	xxxxxx	company	BURDCLAR UK & I	4	93,763
3/26/24	xxxxxx	company	JP MORGAN CHASE	2	1
3/26/24	xxxxxx	company	JP MORGAN CHASE	1	1,813
3/26/24	xxxxxx	company	NORTHERN TRUST C	7	174,336
3/26/24	xxxxxx	company	HELLTOP SECURITI	1	5,000
3/26/24	xxxxxx	company	CETERA INVESTMEN	1	1,000
3/26/24	xxxxxx	company	BNA BANK	2	227
3/26/24	xxxxxx	company	JPMORGAN	2	1,054,354
3/26/24	xxxxxx	company	WELLS FARGO BANK	2	79,121
3/26/24	xxxxxx	company	CITADEL SECURITI	1	85,233
3/26/24	xxxxxx	company	BNY MELLON	11	85,077
3/26/24	xxxxxx	company	BNSFN PEAK ADVI	1	116,827
3/26/24	xxxxxx	company	DESJARDINS SECUR	5	5,219
3/26/24	xxxxxx	company	CI INVESTMENT SE	1	290
3/26/24	xxxxxx	company	BMO NESBITT BURN	12	65,869
3/26/24	xxxxxx	company	NATIONAL BANK FI	9	67,486
3/26/24	xxxxxx	company	TD WATERHOUSE	46	338,207
3/26/24	xxxxxx	company	GOLDMAN SACHS &	6	15,922
3/26/24	xxxxxx	company	MORGAN STANLEY	582	2,335,865
3/26/24	xxxxxx	company	EDWARD JONES	36	47,578
3/26/24	xxxxxx	company	WEBBUSH SECURITI	6	5,076
3/26/24	xxxxxx	company	BNP PARIBAS NDW	5	109,322
3/26/24	xxxxxx	company	WELLS FARGO CLEA	84	237,883
3/26/24	xxxxxx	company	BOFA SECURITIES,	9	547,158
3/26/24	xxxxxx	company	TD AMERITRADE CL	195	2,922,324
3/26/24	xxxxxx	company	AMERIPRISE FINAN	30	671,763
3/26/24	xxxxxx	company	LPL FINANCIAL	17	11,695
3/26/24	xxxxxx	company	U.S. BANCORP INV	3	2,261
3/26/24	xxxxxx	company	BNP PARIBAS NDW	2	84,100
3/26/24	xxxxxx	company	BARCLAYS BANK PL	3	49,995
3/26/24	xxxxxx	company	VISION FINANCIAL	4	9,824
3/26/24	xxxxxx	company	STIFEL, NICOLAUS	5	20,190
3/26/24	xxxxxx	company	J.P. MORGAN SECU	79	865,214
3/26/24	xxxxxx	company	CITIBANK, NA	30	349,760
3/26/24	xxxxxx	company	MURIEL SIEBERT &	2	10,300
3/26/24	xxxxxx	company	INTESA SANPAOLO	5	13,745
3/26/24	xxxxxx	company	ROBERT W. BAIRD	2	366
3/26/24	xxxxxx	company	OPPENHEIMER & CO	3	7,413
3/26/24	xxxxxx	company	DRIVEWEALTH, LLC	6	2,307
3/26/24	xxxxxx	company	UBS SECURITIES L	5	31,297
3/26/24	xxxxxx	company	RAYMOND JAMES &	21	48,014
3/26/24	xxxxxx	company	NATIONAL FINANCI	704	2,464,208
3/26/24	xxxxxx	company	HSBC	3	880
3/26/24	xxxxxx	company	STATE STREET BAN	10	66,212
3/26/24	xxxxxx	company	SEI PRIVATE TRUS	3	1,349
3/26/24	xxxxxx	company	VANGUARD BROKERA	137	391,188
				4,606	24,893,637

**Note:** This private report of The Activist Investor is provided with the author's permission for reference of Shareholder Forum participants.

This report shows the number of accounts at each custodian, and the total number of shares in those accounts. For this company, Schwab has 1,584 accounts with 7.7 million shares, Merrill Lynch has 129 accounts with 400,000 shares, and so forth.

This report also requires some interpretation. You can use it once you know which institutional investors use which custodians. Proxy solicitors typically have that kind of market intelligence.

Broadridge runs both reports for a specific record date, in this case March 26, 2024. You can always request these reports for the most recent record date. So, ask for them for the record date for the last AGM and you'll get a decent idea of the share distribution. You can also request it for the record date for the AGM where you'll nominate directors or present a proposal, once the company sets that record date.

Broadridge will also provide an estimate of the number of accounts for physical and email delivery of communications. For this company as of that record date, Broadridge indicates it would send 1,221 physical packages and 3,234 email packages. This helps in estimating the cost for a given type of communication to all of the accounts that Broadridge would handle.

Broadridge also provides the list of non-objecting beneficial owners (NOBO). This of course shows the individual shareholders behind these reports, for those shareholders that do not object to disclosure of that information. With this, an activist can contact shareholders directly, and not even go through Broadridge. You'd want to do this with larger shareholders, even before sending out proxy materials, say to assess sentiment about the company or run your thesis past them.

But, Broadridge will send it only to the company. You typically ask the company for it as part of a books and records demand. Broadridge *will* indicate when it provided the most recent NOBO list to the company. So, when a company says it doesn't have a current NOBO list, you can at least ask for the most recent one based on the date Broadridge tells you.

Broadridge will also estimate the cost of sending one or another type of communication to all or some of the shareholders. They can estimate the cost of sending a physical proxy statement to the top 100 shareholders, sending emails to the accounts representing 67% of the shares, sending a notice-and-access postcard to everyone, or whatever combination makes sense.

You can request all this from the [Special Processing desk](#) at Broadridge.

### **Other helpful details**

Not just anyone can request this information. An activist needs a reason, such as an upcoming or pending proxy contest or proposal solicitation. You can send a copy of an SEC filing, books and records demand, news release, or correspondence with the company to demonstrate your intent.

You still should consider engaging a proxy solicitor, although it's not strictly required. After all, the UMW evidently [solicited proxies](#) for its shareholder proposals itself, presumably after working directly with Broadridge to profile the shareholder base and send out a few communications to shareholders. Any decent proxy solicitor knows their way around Broadridge, understands the fee schedule, and can advise about the benefits and costs of different communication tactics.

You'll also need to get in touch with [Mediant](#) in the same way as Broadridge, to request those reports and estimate costs. They cover most of the remaining 20% of shares that Broadridge doesn't see.

---

For further information, or to discuss a specific turnaround situation, please contact:

Michael R. Levin  
[m.levin@theactivistinvestor.com](mailto:m.levin@theactivistinvestor.com)  
847.830.1479