

Equifax Inc. / CtW Investment Group - Company Makes Material Announcement Regarding Activist Campaign
Thursday, May 03, 2018 10:00:00 PM (GMT)

Latest Development:

8-K containing 2018 annual meeting vote results.

Campaign Summary:

On 10-18-2017, CtW Investment Group disclosed that it sent a letter to Equifax Inc.'s Chairman, Mark Feidler, which disclosed that the company's recent data security breach was evidence of the company's failed cybersecurity processes. CtW stated that it seemed that the board and management failed to protect the company's reputation as a credit reporting agency, its most important asset. CtW claimed that the company should separate the roles of CEO and Chairman, revise its clawback policy, remove the Chairmen of the Audit Committee and Technology Committee, have the Special Committee of the board created for the data breach review the financial impact of the data breach and review the company's cybersecurity response plans, and create a multi-stakeholder advisory council to address concerns related to data security practices. CtW further claimed that if the board failed to address the damage of the security breach, it might not be able to support the re-election of its directors at the next annual meeting.

On 10-26-2017, Equifax announced that its board size increased to 11 directors, following the appointment of Scott A. McGregor as a director.

On 11-3-2017, Equifax disclosed that it formed a special committee to conduct a review of several aspects of the cyber security incident. Furthermore, Equifax announced that its special committee released a report dated 11-1-2017, which concluded that the four executives were unaware when the trades were made, and that preclearance for the four trades were obtained appropriately in accordance with the company's policy, therefore, none of the four executives committed insider trading. In addition, Equifax emphasized that its special committee conducted several interviews, and reviewed approximately 55,000 documents in order to come up with the aforementioned conclusion.

On 12-5-2017, The Shareholders Foundation, Inc. announced that Equifax faced a pending lawsuit for certain purchasers of its shares in connection with the company's recent data breach, pursuant to which, on 9-11-2017, a lawsuit was filed against Equifax over alleged securities violations.

On 3-21-2018, Equifax announced that its board size increased to 12 directors, following the appointment of Robert W. Selander, former President and CEO of Mastercard Incorporated, as a director.

On 4-11-2018, CtW filed a notice of exempt solicitation and urged shareholders to vote against the re-election of John McKinley, Mark B. Templeton and Mark L. Feidler to the board, at the 2018 annual meeting. CtW stated that votes against the three directors were warranted due to their long-term membership on the Technology Committee, failure to act despite repeated warnings and known risks, poor crisis management, and weak supervision of Equifax's compliance obligation. CtW noted belief that greater broad accountability was required following the weak cybersecurity practices and inadequate internal control monitoring that led up to Equifax's 2017 data breach, which resulted to billions in losses for the company.

On 4-15-2018, Reuters reported that ISS recommended that shareholders should vote against Messrs. McKinley, Templeton and Feidler.

On 4-24-2018, Equifax sent a letter to its shareholders and provided an update on the actions it took following the cybersecurity incident. Equifax highlighted the changes it implement within the board, management, and executive compensation. Equifax said that it implemented the suggestions and feedback it received during its previous meetings with shareholders representing approximately 55% stake. Lastly, Equifax urged shareholders to support all members of the board at the 2018 annual meeting.

On 5-3-2018, Equifax announced that its shareholders voted for the re-election of Messrs. McKinley, Templeton and Feidler to the board at the 2018 annual meeting.

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Event Types: Significant Developments, Remove Director(s), No Dissident Nominee to Fill Vacancy

Industries: Financial Publishing/Services

Primary Identifiers: EFX-US

Related Identifiers: EFX-US

Sectors: Commercial Services