



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 3, 2025

Joshua N. Korff
Kirkland & Ellis LLP

Re: Nexstar Media Group, Inc. (the "Company")
Incoming letter dated February 27, 2025

Dear Joshua N. Korff:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the New York State Common Retirement Fund (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its February 7, 2025 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Lynn Wilson
New York State Common Retirement Fund

KIRKLAND & ELLIS LLP

Joshua Korff, P.C.
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February 7, 2025

VIA ELECTRONIC SUBMISSION

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: Shareholder Proposal of New York State Common Retirement Fund

Ladies and Gentlemen:

We submit this letter on behalf of Nexstar Media Group, Inc. (the “*Company*”) to notify the U.S. Securities and Exchange Commission (the “*Commission*”) that the *Company* intends to omit from its proxy statement and form of proxy for its 2025 Annual Meeting of Shareholders (the “*2025 Annual Meeting*” and such materials, the “*2025 Proxy Materials*”) a shareholder proposal and supporting statement (the “*Proposal*”) submitted on behalf of the New York State Common Retirement Fund (the “*Proponent*”). We also request confirmation that the staff of the Division of Corporation Finance (the “*Staff*”) will not recommend enforcement action to the Commission if the *Company* omits the Proposal from the 2025 Proxy Materials for the reasons discussed below.

In accordance with the Staff announcement published on November 7, 2023, we are submitting this letter electronically to the Staff through the online shareholder proposal form. In accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the *Company*’s intent to omit the Proposal from the 2025 Proxy Materials. Likewise, we take this opportunity to inform the Proponent that if the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be provided concurrently to the undersigned on behalf of the *Company*.

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THE PROPOSAL

The Proposal sets forth the following resolution to be voted on by shareholders at the 2025 Annual Meeting:

Resolved: Shareholders of Nexstar Media Group, Inc. (the “Company” or “Nexstar”) urge the Board of Directors to adopt a policy that financial performance metrics shall be adjusted, to the extent practicable, to exclude the impact of share repurchases when determining the amount or vesting of any senior executive incentive compensation grant or award. Compliance with this policy shall be excused if it would cause the company to violate any existing contractual obligations or the terms of any compensation plan but should apply to future employment agreements and plans.

A full copy of the Proposal is attached hereto as Exhibit A.

BASIS FOR EXCLUSION

As discussed more fully below, the Company believes it may properly omit the Proposal from its 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company’s ordinary business.

The Proposal May be Excluded Under Rule 14a-8(i)(7) Because it Relates to the Company’s Ordinary Business

A. Rule 14a-8(i)(7) Background

Rule 14a-8(i)(7) permits the exclusion of shareholder proposals dealing with matters relating to a company’s “ordinary business operations.” The Commission has stated that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” Exchange Act Release No. 40018 (May 21, 1998) (“1998 Release”). The term “ordinary business” in this context refers to “matters that are not necessarily ‘ordinary’ in the common meaning of the word, and is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company’s business and operations.” *Id.*

The ordinary business exclusion rests on two central considerations: (1) the subject matter of the proposal (*i.e.*, whether the subject matter involves a matter of ordinary business), provided the proposal does not raise significant social policy considerations that transcend ordinary business; and (2) the degree to which the proposal attempts to micromanage a company

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by “probing too deeply into matters of a complex nature upon which shareholders as a group, would not be in a position to make an informed judgment.” *Id.*

B. The Proposal May Be Excluded Because It Relates to an Ordinary Business Matter, the Company’s General Business Plans and Strategy

The Proposal purports to focus on executive compensation, though the focus is actually on the Company’s general business plans and strategy. The Proposal’s resolved clause urges “the Board of Directors to adopt a policy that financial performance metrics shall be adjusted, to the extent practicable, to exclude the impact of share repurchases when determining the amount or vesting of any senior executive incentive compensation grant or award.” The supporting statement makes clear that the concern is not with executive compensation, but with the Company’s capital allocation strategy. For example, the supporting statement includes the following assertions:

- “While stock buybacks may boost stock prices in the short term, we are concerned that they can deprive companies of capital necessary for creating long term growth.”
- “In 2023, S&P 500 Index companies spent a combined total of \$795 billion on stock repurchases and another \$588 billion on dividends, totaling more than 85 percent of their reported earnings. Academic research has shown that stock buybacks can decrease capital expenditures and R&D spending, resulting in lower market-to-book ratios, profitability, innovation, and growth in the long run. Therefore, it is important that companies carefully examine and balance the need for new investment and reinvestment.”
- “Remaining competitive in the media industry requires technological innovation, capital for acquisitions, and flexible operating strategies to offset revenue losses to streaming services and digital platforms. Nexstar has spent more than \$2 billion on share buybacks since 2021, and still has access to \$652 million for repurchases authorized by the Board of Directors, but not yet used. Nexstar spent \$605 million on share buybacks in 2023 alone, but only \$38 million on acquisitions and \$149 million on capital expenditures.”
- “As Nexstar continues to pursue growth through various strategies, including leveraging technology and acquiring new businesses, excluding the impact of stock buybacks from executive compensation would better align compensation with the creation of value and may result in additional investable capital which could improve long-term shareholder value.”

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The Staff has consistently taken the position that matters related to a company's general business plans and strategy are not appropriate for shareholder action. *See, e.g., Sears, Roebuck & Co.* (Feb. 7, 2000) (permitting exclusion of a proposal seeking a change in the company's general business plans and strategy). Further, the Staff has consistently found that proposals that seek to address the price of a company's stock are excludable under Rule 14a-8(i)(7). *See, e.g., Omeros Corporation* (April 20, 2021) (permitting exclusion of a proposal to "make the ongoing increase in share price and enhancing shareholder value a high priority in 2021 and beyond"); *Ford Motor Co.* (Mar. 8, 2006) (permitting exclusion of a proposal requesting action to "enhance shareholder value" and "achieve stock performance equaling the top quartile of S&P 500 companies"); *Bimini Capital Management, Inc.* (Mar. 28, 2018) (permitting exclusion of a proposal requesting that the board take measures to close the gap between the book value of the company's common shares and their market price, including by "aligning management and shareholder interests by setting out specific and quantifiable share price metrics and awarding management executives and directors with Bimini shares, or derivatives thereof, upon the achievement of those goals"); *Tremont Corp.* (Feb. 25, 1997) (permitting exclusion of a proposal requesting a plan to narrow the gap between the value of the company's shares and the value of its underlying assets); *Rogers Corp. (Walter L. Erley)* (Jan. 18, 1991) (permitting exclusion of a proposal requesting that the board of directors adopt specified standards for financial performance).

In this case, the Proposal is intended to serve as a referendum on the Company's stock repurchase program. Similar to the precedent cited above, the Proposal attempts to dictate particular action with respect to a fundamental and ordinary business matter — the Company's general business plans and strategy. For this reason, the Staff should reach the same conclusion here as it did in the precedent cited above and allow the Company to exclude the Proposal pursuant to Rule 14a-8(i)(7).

C. The Proposal Does Not Focus on a Significant Social Policy Issue

The Company recognizes that the Staff recently changed its longstanding approach to how it evaluates significant social policy issues, explaining in Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("*SLB 14L*"):

proposals that the staff previously viewed as excludable because they did not appear to raise a policy issue of significance for the company may no longer be viewed as excludable under Rule 14a-8(i)(7). For example, proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because the proponent did not demonstrate that the human capital management issue was significant to the company.

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However, the Staff's shift in approach has not resulted in the significant social policy exception swallowing the rule that proposals dealing with ordinary business matters are excludable. Since the publication of SLB 14L, the Staff has continued to distinguish between proposals that focus on a significant social policy issue and those that contain references to significant social policy issues but are actually directed at a company's ordinary business matters. Despite its implications for executive compensation, as explained above, the Proposal is focused not on executive compensation, but on the Company's ordinary business—its general business plans and strategy. An attempt to draft a proposal in a manner that implicates a significant social policy issue will not result in the proposal transcending ordinary business where the proposal clearly focuses on addressing an ordinary business matter.

D. The Proposal Seeks to Micromanage the Company

In addition to focusing on a core ordinary business matter and not on a significant social policy issue, the Proposal seeks to impermissibly micromanage the Company “by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” 1998 Release. The Staff recently explained in SLB 14L that going forward, when evaluating micromanagement as a basis for exclusion, it “will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.” SLB 14L states the Staff's belief that this “approach is consistent with the Commission's views on the ordinary business exclusion, which is designed to preserve management's discretion on ordinary business matters but not prevent shareholders from providing high-level direction on large strategic corporate matters.”

Since the issuance of SLB 14L, the Staff has granted relief on micromanagement grounds with respect to numerous proposals less granular than the Proposal. *See, e.g., Coca Cola Co.* (Feb. 16, 2022) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requiring the company to submit any proposed political statement to the next shareholder meeting for approval prior to issuing the statement publicly); *Deere & Co.* (Jan. 3, 2022) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting publication of employee-training materials to allow investors to evaluate management's handling of risk associated with employment discrimination); *Verizon Communications Inc.* (Mar. 17, 2022) (same); *American Express* (Mar. 11, 2022) (same).

The Proposal is analogous to several shareholder proposals involving matters related to senior executive compensation that were determined to be excludable under Rule 14a-8(i)(7) on the basis that the proposals sought to micromanage the respective companies. *See, e.g., Booz Allen Hamilton Holding Corporation* (permitting exclusion of a proposal requesting the company amend its bylaws to include specified requirements for fixing the compensation of directors); *AT&T Inc.* (permitting exclusion of a proposal requesting the board adopt a policy of

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obtaining shareholder approval for any future agreements and corporate policies that could oblige the Company to make certain payments or awards following the death of a senior executive); *AbbVie Inc.* (Feb. 15, 2019) (permitting exclusion of a proposal urging the board of directors to adopt a policy that no financial performance metric shall be adjusted to exclude legal or compliance costs when evaluating performance for purposes of determining the amount or vesting of any senior executive incentive compensation award on the basis that the proposal “micromanages the [c]ompany by seeking to impose specific methods for implementing complex policies”); *Johnson & Johnson* (Feb. 14, 2019) (same); *Abbott Laboratories (Oxfam America, Inc.)* (Feb. 28, 2019) (permitting exclusion of a proposal urging the board of directors to adopt a policy that the compensation committee must approve each proposed sale of compensation shares by a senior executive during a buyback on the basis that the proposal “micromanages the [c]ompany because, among other things, the [p]roposal would require the compensation committee to approve each sale by a senior executive during a buyback and for the [c]ompany to include explanatory disclosure in the proxy statement describing how the committee concluded that approving the same was in the [c]ompany’s long-term best interest”). *See also Johnson & Johnson (Vermont Pension Investment Committee)* (Feb. 12, 2020) (permitting exclusion under Rule 14a-8(i)(7) of a proposal urging the board of directors to adopt a policy that when a financial performance metric is adjusted to exclude “legal or compliance costs” when evaluating performance for purposes of determining the amount or vesting of any senior executive compensation award, it provide an explanation of why the precise exclusion is warranted and a breakdown of the litigation costs).

The Proposal is also similar to the proposals in *Royal Caribbean Cruises Ltd.* (Mar. 14, 2019) and *Walgreens Boots Alliance (Myra K. Young)* (Nov. 20, 2018). In both cases, the Staff permitted exclusion under Rule 14a-8(i)(7) of proposals seeking to require shareholder approval for any open market share repurchase programs or stock buybacks adopted by the board because the proposals would micromanage the companies.

Here, the Proposal requests a policy that would require the board of directors to make specified, mandatory adjustments to compensation grants and awards. In other words, the Proposal seeks to impose specific methods for implementing complex policies. Executive compensation decisions at public companies are highly complex, requiring the design and implementation of a competitive program, compliance with applicable laws, advice from compensation consultants and others, consideration of shareholder feedback, comparison to peers, and negotiations with executives and their counsel, among other inputs. The Proposal goes well beyond providing “high level direction” for the board of directors to consider. By imposing a specific method of determining the amount or vesting of any senior executive incentive compensation grant or award with a high level of granularity (i.e., requiring adjustments to exclude the impact of share repurchases), the Proposal does more than limit the board of directors’

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discretion; the Proposal eliminates discretion entirely. For these reasons, the Proposal seeks to micromanage the Company and therefore is excludable pursuant to Rule 14a-8(i)(7).

Because the Proposal deals with an ordinary business matter, does not focus on a significant social policy issue, and seeks to micromanage the Company, the Proposal is excludable pursuant to Rule 14a-8(i)(7).

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that the Company may exclude the Proposal from the 2025 Proxy Materials. Should the Staff disagree with the conclusions set forth in this letter, or should you require any additional information in support of our position, we would welcome the opportunity to discuss these matters with you as you prepare your response. Any such communication regarding this letter should be directed to me at joshua.korff@kirkland.com or (212) 446-4943.

Sincerely,



Joshua N. Korff, P.C.

cc: Rachel Morgan
EVP, General Counsel & Corporate Secretary
Nexstar Media Group, Inc.

Christina M. Thomas
Kirkland & Ellis LLP

Lynn Wilson
Corporate Governance Officer
New York State Common Retirement Fund

Enclosure: Exhibit A

EXHIBIT A

Stock Buybacks & Pay for Performance

Resolved: Shareholders of Nexstar Media Group, Inc. (the “Company” or “Nexstar”) urge the Board of Directors to adopt a policy that financial performance metrics shall be adjusted, to the extent practicable, to exclude the impact of share repurchases when determining the amount or vesting of any senior executive incentive compensation grant or award. Compliance with this policy shall be excused if it would cause the company to violate any existing contractual obligations or the terms of any compensation plan but should apply to future employment agreements and plans.

Supporting Statement

Stock buybacks can directly impact many of the financial ratios used as performance metrics for incentive pay of senior executives. For example, stock buybacks can increase earnings per share, return on assets, and return on equity. While stock buybacks may boost stock prices in the short term, we are concerned that they can deprive companies of capital necessary for creating long term growth.

In our view, senior executives are responsible for improving our company’s operational performance, whereas the Board of Directors is responsible for determining when stock buybacks are appropriate. Accordingly, we believe that senior executives should not receive larger pay packages when the number of shares outstanding is reduced, because it may not necessarily reflect improved performance or increased company value.

In 2023, S&P 500 Index companies spent a combined total of \$795 billion on stock repurchases and another \$588 billion on dividends, totaling more than 85 percent of their reported earnings. Academic research has shown that stock buybacks can decrease capital expenditures and R&D spending, resulting in lower market-to-book ratios, profitability, innovation, and growth in the long run. Therefore, it is important that companies carefully examine and balance the need for new investment and reinvestment.

Remaining competitive in the media industry requires technological innovation, capital for acquisitions, and flexible operating strategies to offset revenue losses to streaming services and digital platforms. Nexstar has spent more than \$2 billion on share buybacks since 2021, and still has access to \$652 million for repurchases authorized by the Board of Directors, but not yet used. Nexstar spent \$605 million on share buybacks in 2023 alone, but only \$38 million on acquisitions and \$149 million on capital expenditures. CEO Perry Sook received \$29.1 million in total compensation in 2023. During 2023, Mr. Sook was granted 53,700 shares of Performance-Based Restricted Stock Units, the vesting of which is based on Nexstar’s Relative Total Shareholder Return, a financial ratio that can be impacted by stock buybacks.

As Nexstar continues to pursue growth through various strategies, including leveraging technology and acquiring new businesses, excluding the impact of stock buybacks from executive compensation would better align compensation with the creation of value and may result in additional investable capital which could improve long-term shareholder value.

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February 27, 2025

VIA ELECTRONIC SUBMISSION

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: Shareholder Proposal of New York State Common Retirement Fund

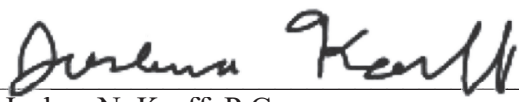
Ladies and Gentlemen:

In a letter dated February 7, 2025 (the “*No-Action Request*”), we requested that the staff of the Division of Corporation Finance (the “*Staff*”) concur that our client, Nexstar Media Group, Inc. (the “*Company*”), could exclude from its proxy statement and form of proxy for its 2025 Annual Meeting of Shareholders (the “*2025 Annual Meeting*” and such materials, the “*2025 Proxy Materials*”) a shareholder proposal and supporting statement (the “*Proposal*”) submitted by the New York State Common Retirement Fund (the “*Proponent*”).

In a letter received on February 25, 2025 and attached hereto as Exhibit A, the Proponent informed the Company of its decision to withdraw the Proposal. Based on the withdrawal of the Proposal, the Company hereby informs the Staff that the Company is withdrawing the No-Action Request.

Should the Staff have any questions regarding this matter, please feel free to contact me at joshua.korff@kirkland.com or (212) 446-4943.

Sincerely,


Joshua N. Korff, P.C.

KIRKLAND & ELLIS LLP

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cc: Rachel Morgan
EVP, General Counsel & Corporate Secretary
Nexstar Media Group, Inc.

Christina M. Thomas
Kirkland & Ellis LLP

Lynn Wilson
Corporate Governance Officer
New York State Common Retirement Fund

Enclosure: Exhibit A

EXHIBIT A

THOMAS P. DINAPOLI
COMPTROLLER



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

February 25, 2025

Lee Ann Gliha
Executive Vice President/Chief Financial Officer
Nexstar Media Group, Inc.
545 E. John Carpenter Freeway
Suite 700
Irving, TX 75062

VIA Email: 

Dear Lee Ann Gliha:

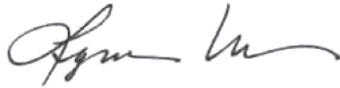
Thank you for our engagement on January 13, 2025, and subsequent emails on February 11 and 21, outlining Nexstar's proposed disclosure regarding executive compensation and capital allocation to be included in the 2025 proxy statement. That disclosure includes:

- “The business and affairs of the Company are managed by or under the direction of the Board of Directors. The Board of Directors executes its oversight as a whole and through its committees including the Compensation Committee, the Audit Committee and the Nominating and Governance Committee. As a whole, among other responsibilities and actions, the Board of Directors attend regular Board meetings to discuss and review the Company's strategy, operations, financial results and financial plan. The Board annually approves our operating and capital budget, reviews our capital allocation plan, authorizes our share repurchase plan and any quarterly dividend payments and approves significant mergers and acquisitions.”
- “The new plan includes two metrics, measured over a two-year period, mirroring the Company's business cycle, intended to diversify the basis on which its senior executives earn the performance portion of their long-term compensation. The two metrics are based on (i) the market performance of the Company's stock relative to peers and (ii) the ability of the Company to achieve its Adjusted Free Cash Flow target.”

Based on the agreement reflected in those exchanges, I hereby withdraw the proposal filed on December 17, 2024, with Nexstar by the Office of the State Comptroller on behalf of the New York State Common Retirement Fund.

Please feel free to contact me at [REDACTED] should you have any further questions on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Wilson".

Lynn Wilson
Corporate Governance Officer – Head of Proxy Voting

CC: [REDACTED]