Petition for Rulemaking to Enhance Disclosure of Voting Control, Controlling Shareholder Conflicts of Interest, and Corporate Governance Accountability in U.S. Public Companies

Date: November 13, 2026
Petitioner: Jungyun Kwon, Republic of Korea
To: U.S. Securities and Exchange Commission (SEC)
Attention: Office of the Secretary
Legal Basis: 17 CFR § 201.192(a)
Type of Submission: Petition for Rulemaking
Subject Matter: Securities disclosure concerning voting rights structures and corporate governance of U.S. public companies

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I. PURPOSE AND LEGAL BASIS OF THE PETITION

1. Submission of the Petition for Rulemaking

Pursuant to 17 CFR § 201.192(a), the undersigned Petitioner respectfully petitions the U.S. Securities and Exchange Commission (the “Commission” or “SEC”) to consider amendments to rules of general applicability.

This Petition seeks to enhance the adequacy of investor disclosures concerning structures that separate economic ownership from voting control in U.S. public companies, transactions involving conflicts of interest of controlling shareholders, and related corporate governance

oversight procedures.
Specifically, the Petitioner requests that the Commission review relevant disclosure requirements under Regulation S-K and the federal proxy disclosure framework to determine whether amendments are warranted to enable investors to evaluate corporate control structures and the procedural risks associated with material controlling shareholder conflict-of-interest transactions in a clear and comparable manner.
This Petition does not seek an investigation of, enforcement action against, or resolution of an individual dispute involving any particular company or person.
Nor does it request that the Commission directly restrict voting rights governed by state corporate law or impose mandatory transaction approval requirements beyond its statutory authority.
The subject of this Petition is the improvement of investor protection and securities disclosure requirements within the Commission's lawful jurisdiction.

2. Petitioner's Interest

The Petitioner is a citizen of the Republic of Korea engaged in research and policy development concerning corporate governance, consumer rights, corporate accountability, and fair market practices involving global enterprises.
This Petition is not submitted on the basis of the Petitioner's status as a shareholder of any particular U.S. public company.
17 CFR § 201.192 does not limit petitions for the issuance, amendment, or repeal of rules of general applicability to shareholders.
Disclosure standards applicable to U.S. public companies affect international investors' access to information, investment decision-making, and confidence in capital markets.

The Petitioner submits this Petition based on these public-policy and institutional interests.

3. The International Role of U.S. Capital Markets

U.S. capital markets play an important role in international capital formation and investment activity.
The corporate governance practices and securities disclosure standards of U.S. public companies affect both domestic and international investors.
The United States has developed longstanding principles of the rule of law, separation of powers, checks and balances, and accountable decision-making within its constitutional democratic tradition.
Political democracy and shareholder voting rights operate under distinct legal frameworks. Nevertheless, the prevention of conflicts of interest, accountability in the exercise of authority, and transparency in decision-making are also important values in corporate governance.
Given the international influence of U.S. capital markets, enhancing the transparency and comparability of information concerning concentrated voting control merits consideration from the perspectives of investor protection and market confidence.
This Petition respects the U.S. corporate law framework and legitimate managerial autonomy while requesting improvements consistent with the Commission’s securities disclosure authority.

II. NEED FOR RULE AMENDMENTS

1. Separation of Economic Ownership and Voting Control

Certain public companies adopt dual-class or multi-class voting

structures under which different classes of shares carry different voting rights, including structures involving shares that generally carry no voting rights (“Non-Voting Shares”).
Such arrangements may include both fixed voting rights assigned to particular classes of shares and voting rights that vary pursuant to specified conditions or formulas.
Under these structures, a shareholder may exercise substantial voting control over major corporate decisions while holding a comparatively smaller percentage of the company’s economic ownership.
Dual-class voting structures may support long-term business strategies and management stability.
However, where economic exposure and voting control diverge significantly, concerns may arise regarding the ability of other shareholders to exercise oversight and the accountability of controlling shareholders.
Dual-class voting structures are not categorically prohibited under U.S. corporate law.
Accordingly, this Petition does not challenge the legality of such structures. Rather, it focuses on ensuring that investors can adequately understand their operation and implications.

2. Accessibility and Comparability of Investor Information

Understanding a company’s control structure requires more than identifying the percentage of shares held by particular shareholders. Investors may also need to understand the distribution of actual voting power and the nature of any special control rights.
The following information may be particularly relevant:

1. The economic ownership percentage of principal shareholders;

2. The percentage of voting power controlled by principal shareholders;
3. Voting rights associated with each class of shares, including whether a class is non-voting;
4. Conversion and termination conditions applicable to differential voting rights;
5. Contracts or special rights affecting voting power;
6. The anticipated distribution of voting power following material changes to the capital structure; and
7. Arrangements under which voting power is maintained or adjusted pursuant to specified conditions or formulas.

Even where relevant information is disclosed under existing requirements, investors may encounter difficulties in comparing and analyzing that information if it is dispersed across multiple disclosure items or calculated using different methodologies.
This Petition therefore requests consideration of whether greater standardization and clarity are warranted while minimizing duplication of existing disclosures.

3. Controlling Shareholder Conflicts of Interest

Conflicts of interest may arise when a controlling shareholder stands to receive benefits from a transaction that are not shared with other shareholders.
Such transactions may include certain mergers, going-private transactions, recapitalizations, and related-person transactions.
Not every transaction involving a controlling shareholder constitutes a conflict-of-interest transaction or is inherently improper.
However, in material transactions involving conflicts of interest, investors may need to understand not only the transaction’s purpose and terms but

also the independent review and approval procedures applied.
This Petition proposes consideration of enhanced disclosure to improve the procedural transparency of such transactions.

III. PRINCIPLES GOVERNING THE PROPOSED AMENDMENTS

1. Investor Protection and Adequate Information

An important purpose of securities disclosure is to support informed investment decisions by providing investors with material information. A company's voting control structure may affect shareholders' ability to oversee management and influence significant corporate decisions. Accordingly, the Commission should consider whether investors receive adequate information to understand these structures.

2. Respect for Legitimate Corporate Autonomy

This Petition respects legitimate managerial autonomy, the establishment of different classes of shares, and the lawful rights of existing shareholders.
The principle of "One Share, One Vote" may serve as a corporate governance benchmark for evaluating proportionality between economic ownership and voting rights.
However, this Petition does not request that the Commission impose a uniform one-share, one-vote requirement on all public companies.

3. Materiality and Proportionality

The need for additional disclosure should be evaluated in light of the usefulness of the information to investors, the materiality of the relevant transaction, the company's governance structure, and the anticipated

regulatory burden.
This Petition does not propose treating every business activity or operational issue as a matter requiring additional disclosure.
Instead, it seeks clear and effective disclosure standards proportionate to the objective of investor protection.

IV. RELATIONSHIP TO EXISTING LAW AND DISCLOSURE REQUIREMENTS

1. Distinction Between Federal Securities Regulation and State Corporate Law

Substantive matters concerning classes of shares, voting rights, and internal corporate decision-making are generally governed by applicable state corporate law and related legal principles.
Section 151 of the Delaware General Corporation Law (“DGCL”) addresses the establishment of classes of stock and their associated rights.
DGCL § 144 contains provisions concerning certain transactions involving conflicts of interest of directors, officers, and controlling shareholders.
As amended in 2025, DGCL § 144 provides statutory safe-harbor mechanisms involving independent committee approval, disinterested stockholder approval, and transaction fairness for certain controlling shareholder conflict-of-interest transactions.
Different safe-harbor requirements may apply to general controlling shareholder conflict transactions and certain going-private transactions.
These safe-harbor provisions should not be equated with a universal requirement that every controlling shareholder transaction receive approval from disinterested shareholders.
Recognizing this distinction, the Petition requests consideration of

improvements to SEC disclosure requirements concerning conflicts of interest and transaction approval procedures.

2. Regulation S-K Item 403

17 CFR § 229.403 — Security Ownership of Certain Beneficial Owners and Management

Item 403 requires disclosure concerning the securities ownership of certain beneficial owners and management.

The Petitioner requests consideration of whether existing disclosure requirements should be supplemented or clarified to provide more transparent information about the difference between economic ownership and voting control.

3. Regulation S-K Item 404

17 CFR § 229.404 — Transactions with Related Persons, Promoters and Certain Control Persons

Item 404 addresses disclosure concerning specified related-person transactions and associated information.

The Petitioner proposes consideration of more consistent disclosure concerning the application of independent review and approval procedures to material controlling shareholder conflict-of-interest transactions that fall within the scope of applicable disclosure requirements.

4. Regulation S-K Item 407

17 CFR § 229.407 — Corporate Governance

Item 407 includes disclosure requirements concerning corporate governance, including the independence of directors and certain board

committees.
The Petitioner requests consideration of whether additional disclosure is warranted concerning the roles and authority of independent committees responsible for overseeing material controlling shareholder conflict-of-interest transactions.

5. Regulation S-K Item 105

17 CFR § 229.105 — Risk Factors

Item 105 governs disclosure of material risk factors.
The Petitioner requests consideration of whether risks associated with concentrated voting control or related conflicts of interest are adequately addressed under the existing disclosure framework when such risks are material in the circumstances of a particular registrant.
Concentrated voting control does not automatically constitute a material risk factor for every company.

6. Proxy Disclosure Requirements

Where material recapitalizations or conflict-of-interest transactions require shareholder action, it is important that shareholders receive the information necessary to exercise their voting rights on an informed basis.
The Petitioner requests consideration of whether Regulation 14A and related proxy disclosure requirements adequately address changes in voting control and relevant conflict-of-interest review procedures.
However, the applicability of the federal proxy disclosure framework may be limited in certain circumstances, including where only non-voting securities of an issuer are registered under Section 12 of the Securities Exchange Act of 1934.
Accordingly, this Petition does not rely exclusively on proxy disclosures

and also requests consideration of the adequacy of periodic reports and other applicable disclosure requirements.

V. SPECIFIC RULE AMENDMENTS REQUESTED

This Section identifies the substantive amendments proposed pursuant to 17 CFR § 201.192(a).
The proposals do not assume that information already required under existing rules is entirely undisclosed. Rather, they seek to improve the clarity, standardization, and comparability of existing disclosures where appropriate.

1. Distinct Disclosure of Economic Ownership and Voting Control

Principal provisions for consideration: Regulation S-K Item 403 and related disclosure requirements

The Petitioner proposes that the Commission consider amendments requiring registrants with differential voting structures to provide standardized information in conjunction with existing ownership disclosures.
The information to be added or clarified may include:

1. The economic ownership percentage of principal controlling shareholders;
2. The percentage of voting power controlled by principal controlling shareholders;
3. The difference between economic ownership percentages and voting power percentages;
4. Voting rights attached to each class of shares, including the existence of non-voting shares;
5. Conversion and termination conditions applicable to differential

voting rights;
6. Special rights or contractual arrangements that materially affect voting control; and
7. The principal calculation methods, triggering conditions, termination conditions, and effects on corporate control of variable or formula-based voting mechanisms under which the number of votes or percentage of voting power held by a particular shareholder or shareholder group is adjusted, maintained, or recalculated in response to share dispositions, new issuances of shares, changes in aggregate voting power, satisfaction of ownership thresholds, or other contractual conditions.

In designing any disclosure requirement, the Commission should consider clear methodologies for calculating economic ownership and voting control, including the treatment of direct and indirect holdings and contractual voting rights.
Where substantially equivalent information is already disclosed, standardized presentation or cross-referencing should be considered in preference to duplicative reporting.

2. Disclosure Concerning Material Transactions Affecting Voting Control

Principal provisions for consideration: Regulation S-K Item 404 and related transaction and proxy disclosure requirements

Where a material transaction that maintains or increases a controlling shareholder's voting power is subject to applicable disclosure requirements, the Petitioner proposes consideration of measures enabling investors to identify the following information clearly:

1. The principal purpose and structure of the transaction;
2. The distribution of voting power before and after the transaction;

3. Whether the controlling shareholder receives a special benefit;
4. The principal effects on the voting rights of other shareholders;
5. The conflict-of-interest review procedures applied; and
6. The approval procedures required under applicable law and their results.

This proposal does not seek to prohibit transactions affecting voting control or impose new approval requirements on all such transactions. Its purpose is to improve the disclosure of material information concerning transaction structure and procedural safeguards.

3. Disclosure of Independent Committee and Disinterested Shareholder Approval Procedures

Principal provisions for consideration: Regulation S-K Items 404 and 407 and related disclosure requirements

Where independent review or approval procedures apply to material controlling shareholder conflict-of-interest transactions, the Petitioner proposes consideration of clearer and more consistent disclosure concerning:

1. Whether an independent committee was established and its composition;
2. The principal criteria used to determine independence;
3. The committee’s substantive review and negotiating authority;
4. Whether outside advisers were retained;
5. Whether a disinterested shareholder approval procedure was applied;
6. The principal results of the approval process; and
7. The relationship between the procedures used and applicable statutory approval or safe-harbor provisions.

Such disclosures may assist investors in evaluating the procedural fairness of relevant transactions.
However, the scope of disclosure should be designed reasonably, taking into account legally protected information, confidentiality obligations, and commercially sensitive transaction information.
This Petition does not request that the Commission impose disinterested shareholder approval as a new mandatory legal requirement for all transactions.

4. Disclosure of Material Corporate Governance Risks and Board Oversight

Principal provisions for consideration: Regulation S-K Items 105 and 407 and related disclosure requirements
Where conflicts of interest or oversight limitations associated with concentrated voting control create material risks to investors, the Petitioner requests consideration of whether those risks and the relevant board oversight arrangements are adequately disclosed.
Matters for consideration include:

1. Specific risks associated with concentrated voting control;
2. Oversight arrangements addressing material conflict-of-interest risks;
3. The roles of independent directors and relevant board committees;
4. Procedures for reporting and reviewing material risks; and
5. The adequacy of existing disclosure requirements and the need for any additional disclosures.

Recurring operational problems, legal violations, or regulatory risks may become material to investors depending on their nature and magnitude. However, not every operational issue automatically gives rise to a

disclosure obligation under the federal securities laws.
This Petition concerns the adequacy of disclosure of material investor risks, not the resolution of individual consumer disputes.

VI. RELATIONSHIP TO SECURITIES EXCHANGE LISTING RULES

1. Existing Voting Rights Protections

U.S. securities exchanges maintain listing standards concerning the protection of shareholder voting rights.
Nasdaq Listing Rule 5640 is one example of a listing standard addressing shareholder voting rights.
The Petitioner requests consideration of whether existing listing standards and SEC disclosure requirements operate in a sufficiently complementary manner.

2. Scope of the Requested Review

The Petitioner requests consideration of the effectiveness of existing requirements concerning:

1. Transactions that disproportionately reduce the voting rights of existing shareholders;
2. Material changes to dual-class or multi-class voting structures after listing;
3. Material recapitalizations intended to maintain or increase voting control;
4. Investor disclosures concerning such transactions; and
5. Potential overlaps or gaps between exchange listing standards and SEC disclosure requirements.

3. Limits of the Commission's Statutory Authority

The Commission exercises statutory oversight over securities exchanges and other self-regulatory organizations ("SROs") under the federal securities laws.
That authority is subject to statutory limitations and does not confer unrestricted power to regulate every substantive matter of shareholder voting rights governed by state corporate law.
Accordingly, the Petitioner requests that the Commission evaluate the adequacy of relevant listing standards within the scope of its lawful authority and, where appropriate, consider potential improvements through procedures authorized by applicable law.

VII. ANTICIPATED BENEFITS AND REGULATORY BURDENS

1. Potential Investor Protection Benefits

The proposed disclosure improvements are intended to:

1. Improve investor understanding of corporate voting control structures;
2. Enhance comparability between economic ownership and voting power;
3. Increase procedural transparency concerning material conflict-of-interest transactions;
4. Improve access to information concerning board oversight arrangements; and
5. Enhance the completeness of corporate governance information relevant to investment decisions.

These are anticipated policy benefits. Their actual magnitude would

depend on the design and implementation of any adopted rules.

2. Compliance Costs

Additional disclosure obligations may create costs associated with data collection, legal review, internal systems, and preparation of regulatory filings.
Such costs may vary depending on a registrant's size, capital structure, and the complexity of its ownership and control arrangements.
The Petitioner therefore requests that the Commission consider:

1. Duplication of existing disclosure requirements;
2. The usefulness of additional information to investors;
3. Differences in compliance costs across registrants;
4. The practicability of quantitative disclosure calculations;
5. The treatment of sensitive or legally protected information; and
6. Appropriate implementation periods and transitional provisions.

3. Principles for Regulatory Design

The Petitioner favors a proportionate approach that accounts for the materiality of the information, the registrant's governance structure, and anticipated compliance costs, rather than imposing identical additional burdens on all registrants.
The Commission is also requested to distinguish matters that can be addressed through clarification or improvement of existing disclosure requirements from those requiring new rules.

VIII. FORMAL REQUESTS FOR COMMISSION ACTION

Pursuant to 17 CFR § 201.192(a), the Petitioner respectfully requests that

the Commission consider the following matters.

Request 1. Standardization of Voting Control Disclosures

Review Regulation S-K Item 403 and related disclosure requirements to determine whether amendments are warranted to provide clearer and more comparable disclosure of differences between economic ownership and voting control in companies with differential voting structures.
This review should include information concerning non-voting shares and arrangements under which voting rights are adjusted or maintained pursuant to specified conditions or formulas.

Request 2. Enhanced Disclosure of Controlling Shareholder Conflict-of-Interest Transactions

Review Regulation S-K Item 404 and related transaction disclosure requirements to evaluate measures for improving disclosure of special interests and independent review and approval procedures in material controlling shareholder conflict-of-interest transactions.

Request 3. Improved Disclosure of Independent Committee Oversight

Review Regulation S-K Item 407 and related requirements to assess whether additional disclosure is warranted concerning the composition, authority, and procedures of independent committees responsible for overseeing material conflict-of-interest transactions.

Request 4. Review of Material Corporate Governance Risk Disclosures

Review Regulation S-K Item 105 and related requirements to assess

whether material risks associated with concentrated voting control are adequately disclosed.

Request 5. Review of Proxy and Other Applicable Disclosure Requirements

Review Regulation 14A and related disclosure requirements to determine whether shareholders receive adequate information concerning material changes in voting control and conflict-of-interest transactions when exercising their voting rights.
In addition, where the application of the ordinary proxy disclosure framework may be limited, including circumstances in which only non-voting securities are registered, evaluate whether periodic reports and other applicable disclosure requirements adequately inform investors about material corporate control structures and changes.

Request 6. Review of Relevant Exchange Listing Standards

Within the Commission’s statutory oversight authority, review the effectiveness of securities exchange listing standards concerning shareholder voting rights and their interaction with applicable disclosure requirements.

Request 7. Consideration of Rulemaking Proceedings

Evaluate the investor protection benefits, legal basis, anticipated costs, potential duplication of existing requirements, and practical feasibility of the foregoing proposals and, where appropriate, consider initiating rulemaking proceedings.

IX. REQUEST FOR PROCESSING AND NOTIFICATION

This Petition seeks amendments to SEC rules of general applicability.
It does not request enforcement action against any particular company, resolution of an individual shareholder dispute, or redress for a consumer complaint.
The Petitioner respectfully requests that the Commission, in accordance with its applicable procedures:

1. Acknowledge receipt of this Petition;
2. Refer the Petition to the appropriate division or office;
3. Consider the proposed amendments; and
4. Notify the Petitioner of any action taken by the Commission with respect to the Petition.

The Petitioner recognizes that submission of this Petition does not guarantee the initiation of rulemaking proceedings or adoption of the proposed amendments.
The Petitioner respectfully requests that the Petition be considered in accordance with applicable law and Commission procedures.

X. CONCLUSION

The voting rights structures of U.S. public companies are important elements of corporate governance that may affect management stability, shareholder participation, and significant corporate decisions.
Differential voting rights may serve legitimate business objectives.
However, where economic ownership and voting control diverge substantially, investors should receive accurate information sufficient to understand the relevant structures and risks.

In companies with non-voting shares or variable and formula-based voting mechanisms, investors should also be able to understand the distribution of effective voting control and the circumstances under which that control may change.

Where a controlling shareholder has a special interest in a material transaction, transparent disclosure concerning independent review and approval procedures is also important.

This Petition respects legitimate corporate autonomy and rights established under state corporate law while proposing improvements to investor protection through disclosure requirements within the Commission's statutory authority.

Given the international significance of U.S. capital markets, improving the accuracy, clarity, and comparability of disclosures concerning voting control and corporate governance may contribute to informed investment decisions and confidence among domestic and international investors.

The Petitioner respectfully requests that the Commission review the adequacy of existing disclosure requirements concerning differential voting rights, non-voting shares, variable voting mechanisms, controlling shareholder conflicts of interest, and related oversight arrangements, and consider appropriate rule amendments to advance investor protection within its statutory authority.

PRINCIPAL LEGAL AUTHORITIES AND OFFICIAL REFERENCES

1. 17 CFR § 201.192 — Petitions for Issuance, Amendment or Repeal of Rules
2. 17 CFR § 229.105 — Regulation S-K Item 105, Risk Factors

3. **17 CFR § 229.403** — Regulation S-K Item 403, Security Ownership of Certain Beneficial Owners and Management
4. **17 CFR § 229.404** — Regulation S-K Item 404, Transactions with Related Persons, Promoters and Certain Control Persons
5. **17 CFR § 229.407** — Regulation S-K Item 407, Corporate Governance
6. **17 CFR Part 240** — Rules and Regulations Under the Securities Exchange Act of 1934, including applicable proxy solicitation rules
7. **Delaware General Corporation Law § 144** — Interested Director, Officer, and Controlling Stockholder Transactions
8. **Delaware General Corporation Law § 151** — Classes and Series of Stock
9. **Nasdaq Listing Rule 5640** — Voting Rights

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