"Advisory, data and analytics set us apart" says Tom Germinario of D.F. King, an AST Company

"AST is really coming to be known for ownership data management and analytics services, and D.F. King is essential to that transformation."

In the current business landscape, a proxy solicitor’s skillset and a corporation’s preparedness necessarily require an understanding of the shareholder base, including ongoing review of ownership analytics and monitoring accumulations. This is truer with tremendous pressure on corporate boards and shareholder activism at a peak. We have with us AST - a tech-enabled, integrated, professional services firm that empowers companies and their stakeholders to achieve their goals through advisory, technology, and flawless execution.

In 2014, AST acquired D.F. King, a team of seasoned experts in proxy fights and activism. The collaboration between the two companies provides a unique competitive advantage in the proxy industry. The company has made significant investments in analytics and technology to enhance its solicitation offering and to track and monitor institutional voting behavior and identification.

In dialogue with Tom Germinario from D.F. King.

Let’s start off with D.F. King. Can you tell us about your work there?

I have been with D.F. King for over two decades and am Co-Head of the Proxy Solicitation Group. Through our relationships with attorneys and investment banks, we provide strategic advice in M&A transactions of all types, some structured as a special meeting of stockholders to seek shareholder approval for the transaction, and others structured as a tender offer, in which case we provide consulting and information agent services. We also offer services to the debt markets, serving as information agent for debt tender offers and solicitor for consent solicitations to amend indenture terms. At the end of the day, this is a relationship-driven business, so the most important part of what we do is provide our clients and advisors with high-level strategic advice and an unwavering commitment to helping them achieve the best possible outcome for their event.

AST acquired D.F. King in 2014 and has for the past several years been focused on the idea of transforming itself into an ownership data management and analytics company, and transforming the industry more broadly. What are your views on being part of this transformation?

D.F. King has indeed been a key part of AST’s overall transformation. As the company sought to build a more integrated model, its leaders realized the value we could bring to both the business and its clients, given our expertise in advising issuers in extraordinary solicitations. The D.F. King brand has been around for 75+ years, with strong name recognition in the U.S. and Europe. When you think about ownership data, you start with the registered services AST provides as transfer agent. But when you can combine that with everything D.F. King can offer – strategic advisory services to corporate proxy clients and more – then you really have a best-in-breed, integrated offering all under one roof.

What differentiates D.F. King in this space?

The short answer is D.F. King’s combination of people, experience and analytical ability. First, we have a very experienced, savvy, and stable executive team. That depth of experience translates into very high-level strategic analysis and creative advice to our clients. We’re also unparalleled in our analytical abilities in these proxy events. In all situations, we provide a keen analysis of the shareholder profile, an understanding of institutional investor behavior in similar situations, and vote projection analytics to help our clients understand the potential outcome of the campaign. We go through all available data and historical information and provide truly board-quality analysis to our clients. We’re not content with providing basic reports; rather, we strive to provide our clients with a professional analysis that can confidently be shared with the board.

How does technology play a role in D.F. King’s work?

Our proprietary technology platform provides the highest levels of data security and efficiency in managing solicitations. We use the platform for maintaining institutional investor positions, contact information, critical
Thomas A. Germinario serves as co-head of D.F. King’s corporate proxy division, with 30+ years of experience in proxy solicitation, corporate actions and investor communications businesses. Tom advises clients in mergers and acquisitions, contested vote solicitations, shareholder activism and corporate governance matters.

Mr. Germinario has extensive experience advising clients in efforts to maximize support for the board of directors, anti-takeover matters and comprehensive institutional and retail solicitation programs, including strategy formulation, shareholder profile analysis, design of effective communications initiatives and message development to maximize support for the board’s position. Advice on such matters includes experience with known institutional investor voting guidelines, the influence of voting recommendations of proxy advisory firms and the coordination with board members and senior management on effective solicitation programs to maximize positive results.

Tom provides annual proxy solicitation advice to corporations in the telecommunications, chemical, defense, utility, technology and retail industries, among others.

Mr. Germinario has an M.B.A. in Finance from St. John’s University.

shareholder profile analysis, real-time proprietary vote identification data, voting behavior, and the like. We also constantly look to improve our data mining and analytics. One of the greatest benefits of integrating technology into our operations, and of automating certain processes and institutional research, is that our team can spend more time focusing on delivering personalized counsel and service to our clients.

**Circling back to the idea of integration, how does D.F. King collaborate with AST’s other business lines?**

D.F. King often collaborates with AST’s Ownership Intelligence (OI) Group. When a client comes to us with a concern about unusual trading patterns or potential activist accumulation, we can utilize AST’s OI service. That’s a real plus for issuers: we have the instincts to put an accumulation in context and advise on where the accumulation is coming from, who the potential culprits are based on experience, and the potential scope of the issue. We’re a firm that can provide that complete, end-to-end offering. We also refer a number of companies that have worked with us to AST’s flagship transfer agent services as they understand the level of service we provide, and companies feel comfortable with and confident about working with the combination of AST and D.F. King.

It works in reverse as well. AST has thousands of clients, and many of them find themselves in need of services D.F. King provides. D.F. King’s advisory services are critical when stock performance is down, shareholders are making noise, activism is brewing, or companies have corporate governance, executive compensation or shareholder proposal concerns. To that end, we really keep our clients apprised of trends in corporate governance. Our relationship isn’t just for April or May during proxy season. We’re a partner all year long for institutional research and analysis for any situation that comes up.

**What are some of those trends that C-suite executives, and especially CIOs, should keep an eye on?**

Cybersecurity is a big issue that is top-of-mind right now. Boards must really focus on this issue, because when problems arise, investors view this as a failure of risk management and board oversight. Such failures translate in the proxy world into withholding or against votes on directors as well as negative public relations issues. Some of the other major areas of focus include environmental, social and governance (ESG) matters, board refreshment and gender issues, like gender pay disparity or lack of female representation on boards. And of course, companies have issues when there is a perceived pay-for-performance disconnect in the face of a poorly performing business.