

Katten Wins Dismissal of Say-on-Pay Lawsuit for AAR Corporation

April 9, 2013

Katten obtained a dismissal with prejudice of a complaint that alleged AAR Corporation's board of directors breached its fiduciary duty by omitting information relating to the basis for the company's executive compensation decision. The US District Court of the Northern District of Illinois first denied plaintiffs' emergency application to enjoin the annual meeting and require additional disclosures. In yesterday's decision granting the motion to dismiss, the court found that plaintiff had failed to plead an actionable omission and could not state a direct cause of action. This served as a significant victory over the efforts to impose liability for executive compensation for public companies where all requirements of applicable federal law had been satisfied. The Katten team included Bruce G. Vanyo, Sheldon T. Zenner, Richard Zelichov, Michael J. Lohnes, Christina L. Costley, and John Anzelc. The outcome has been reported by [The D&O Diary](#), [Law360](#), [Thomson Reuters](#) and [The American Lawyer](#).

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