

November 20, 2009

**VIA E-MAIL**

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

**Computershare**  
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Re: File Number S7-22-09, Amendments to Rules Requiring Internet Availability of Proxy Material

Dear Ms. Murphy,

Computershare and Georgeson appreciate the opportunity to comment on the SEC's proposed Notice and Access ("N&A") rule change and its impact on voting results and issuer expenses.

Computershare is a global leader in transfer agency, employee equity plans, proxy solicitation and other specialized financial services. Recognized for our expertise in data management, high volume transaction processing, payments and stakeholder engagement, we help many of the world's leading organizations maximize the value of their relationships with their investors, employees and other stakeholders. Globally we service 100 million shareholder and employee accounts on behalf of 14,000 corporations including 33% of the Fortune 500, 37% of the S&P 500, 60% of the Dow 30 and thousands of small- and mid-cap companies in the United States

Georgeson Inc., a Computershare company, is the world's leading provider of strategic proxy and corporate governance consulting services to corporations and shareholder groups working to influence corporate strategy. Combined, Computershare and Georgeson mail over 400 million shareholder packages around the globe annually, including 200 million in the United States. A significant portion of these mailings is proxy materials.

**Overall Summary and Conclusions**

Computershare continues to fully support changes to the N&A process that will eliminate unnecessary issuer expenses, increase retail shareholder voting, create more efficient high quality end-to-end proxy processing, ensure a competitive market and increase the transparency of share ownership. We strongly believe N&A helps achieve issuers' corporate sustainability objectives by providing an environmentally friendly and cost effective alternative without a significant negative impact on the voting results.

Our view is that the N&A model has provided issuers a major opportunity to reduce the high expense of the proxy solicitation process and to further enhance the use of the Internet, resulting in a more effective and efficient method for proxy material distribution. With the proper changes, we believe that the N&A model will also enhance shareholder voting and communication.

As our analysis below reflects, the current process is resulting in a decrease in shareholder voting. We believe proper shareholder educational efforts and more flexibility in the Notice, together with some operational changes identified in this letter, will result in the N&A process becoming an effective tool for both investors and issuers.

Computershare has had 140 of our issuers, totaling 7 million shareholders, adopt N&A. The following is a summary of an analysis of those issuers including their voting results and distribution strategies over the past two years:

- **Notice Only Mailing Results:** In reviewing the voting results for issuers adopting N&A for the first time that sent a notice to the registered shareholders, we found the following impact to the registered shareholder voting results:
  - Issuers with <1K shareholders saw an average decrease of 32.8% of shares previously voted
  - Issuers with <10K shareholders saw an average decrease of 42.2% of shares previously voted
  - Issuers with 20K – 40K shareholders saw an average decrease of 67.6% of shares previously voted
  - Issuers with >50K shareholders saw an average decrease of 65.9% of shares previously voted

Among issuers adopting the N&A model for the second year that sent a notice, we found the following impact to the registered shareholder voting results:

  - Issuers with <1K shareholders saw an average increase of 9.7% of shares previously voted
  - Issuers with <10K shareholders saw an average increase of 8.4% of shares previously voted
  - Issuers with >50K saw an average decrease of 18.1% of shares previously voted
- **Stratified Mailing Results:** For companies using a stratified mailing approach (mailing full sets of materials to targeted shareholders holding more than a threshold number of shares and/or shareholder voting history) we found a decrease in vote participation. On average, issuers that sent a notice only the first year but adopted a stratified mailing approach the second year did experience an improvement in vote participation as compared to notice only. In one instance, a large issuer saw an increase while another large issuer saw a decrease in vote participation compared to previous years voting results.
- **Second Notice Mailing Results:** A small number of issuers elected to send a follow-up mailing. Many did not see a significant enough change in vote participation to justify the expense of conducting a follow-up mailing.
- **N&A Adoption:** Among the issuers adopting N&A in 2009, we saw a 27% increase in issuer adoption from the previous year. Of the overall 2009 adopters, 70.4% used notice only; 29.6% used a stratified mailing strategy.

For the N&A issuers, we observed an increase in Internet voting; however telephone and paper continue to be a leading method for shareholder voting. Computershare recommends allowing issuers to include a proxy card with an accompanying business reply envelope and a summary of the proxy statement (e.g., items upon which shareholders are voting, a brief description of directors, committees and executive compensation plans) to promote all available voting methods to shareholders, i.e., mail, telephone and Internet.

Notice only issuers saw a decrease in vote participation primarily due to the lack of shareholder awareness of the items on which they were voting. Computershare recommends issuers be allowed to include a summary of the proxy statement (as described above) and a shareholder educational document (see attached) to assist in educating shareholders on the importance of their vote and where to obtain related proxy materials.

Many issuers continue to be challenged by the 40-day mailing requirements and cannot adopt the N&A model due to difficulty in adhering to the timeline. Currently, many issuers mail their proxy materials 28 to 35 days (4 to 5 weeks) in advance of their meeting. This is based on a finely tuned process and timeline that is dependent on state law, corporate by-laws, and enhanced corporate governance requirements as well as the time required to produce and deliver materials. Reducing the 40-day mailing rule to 30 days would allow more issuers to take advantage of the N&A model. Making this change will allow more issuers to adopt the N&A model which will in turn result in reduced issuer expenses and achievement of issuers' corporate sustainability using an eco-friendly alternative.

## **Specific Responses to the Proposals**

### **Has the use of the N&A model made proxy material more or less accessible? Will flexibility in design of the Notice make it clearer?**

We believe the N&A model has made proxy materials more accessible to shareholders in the manner in which they want to receive information. As part of the process, communication preferences are captured and honored for all future communications ensuring that shareholders who request full sets will automatically receive physical material in future years until they notify us otherwise. Our fulfillment results show that an average of 1% of the population is still interested in receiving physical materials.

We also believe allowing issuers additional flexibility to design the Notice to encourage voting and to educate shareholders will improve the clarity of the Notice and increase voting participation.

### **Does permitting issuers to choose to which shareholders to provide notice-only and full sets delivery affect voting rates? If so, how are issuers exercising their discretion over full set delivery and are they doing it appropriately?**

We have found that issuers who utilize a stratified mailing strategy had a higher voting result than those issuers who utilized a notice only mailing. Many issuers have used targeted mailing based on shareholders' voting history and share thresholds.

### **Are there additional requirements that could be made to increase voting?**

We believe the following would assist in improving shareholder voting percentages:

- Shareholder education on the N&A model and the importance of their vote
- Including alternative voting methods on the Notice:
  - Promoting the telephone voting number on the stand-alone notices would potentially increase voting participation without the cost of a second mailing with a proxy card. The telephone voting system would allow shareholders to confirm access to the materials prior to voting.
  - Allowing the enclosure of a proxy card, business reply envelope and a summary of proxy statement would also encourage shareholders to vote. Shareholders would understand which matters are being voted on and where they can get additional details regarding the meeting such as proxy statement, but would not be required to review additional materials prior to casting their vote.
- Reducing the 40-day rule to 30 days would allow issuers with very tight timelines to adopt N&A.

We support the suggestion made by the Shareholder Communications Coalition that issuers be able to direct communications to all shareholders, both registered and beneficial. We believe this will improve the voting response and allow issuers to have a choice of providers driving market price for the services elected.

### **Should we prohibit using N&A model if the vote decreased?**

We do not believe the Commission should discontinue using the N&A model. Every attempt should be made to educate the shareholders on how to obtain proxy material and cast their vote. Amending the current N&A rules as recommended above would assist in increasing shareholder vote participation.

### **Will shareholders find the Notice more confusing if the SEC does not prescribe the format?**

SEC specific guidelines would add consistency to provide shareholder information. Flexibility with the format would allow issuers the ability to communicate with their shareholders in order to increase vote participation.

**Should we permit the Notice to be accompanied by materials to explain the process?**

We believe that issuers should be allowed to provide additional information. A summary of the proxy statement providing information on the shareholder meeting and education on the N&A model would promote shareholder knowledge and participation in voting.

**What changes can be made to help shareholders better understand the Notice?**

We believe including an educational document would increase the vote participation percentages.

**Timing Requirements for Mailing of Proxy Materials**

We recommend that the SEC reduce the mailing requirement to a timeframe closer to the current mailings, e.g., 30 days, to enable maximum issuer participation and savings.

**Conclusion**

In summary, we strongly recommend continuing with the N&A model. In order to increase participation and to allow the N&A process to become an effective tool for both investors and issuers we propose that the Commission allows for:

- Providing shareholder educational material regarding the availability of related proxy materials, how to vote and the importance of their vote
- More flexibility in the Notice including providing the telephone voting number on the Notice
- Providing a summary of the proxy statement, a proxy card and a reply envelope

In addition, we recommend reducing the 40-day mailing period to 30 days to allow a greater population of issuers to adopt N&A.

We appreciate the opportunity to respond to the proposed changes to improve N&A. We support N&A and believe that the model can enhance the issuer’s ability to communicate with shareholders while reducing their overall expenses and meeting their corporate sustainability objectives. With appropriate guidance investors will become familiar with the streamlined form of communication.

Sincerely,



David S. Drake  
President, Corporate Proxy  
Georgeson Inc.



Paul Conn  
President, Global Capital Markets  
Computershare, Limited