THE MARCO
CONSULTING
GROUP

August 14, 2009

Ms. Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington DC 20549-1090
rule-comments@sec.gov

Re: Facilitating Shareholder Director Nominations (File No. S7-10-09)

Dear Ms. Murphy:

The Marco Consulting Group ("MCG") is a registered investment adviser and proxy voting agent to more than 300 institutional investors—primarily jointly-trusteed ERISA benefit plans—whose aggregate asset valuation is in excess of $100 billion. Our clients consider corporate governance to be an important tool in protecting their investments and many of them actively engage the companies they own by attending annual meetings and filing shareholder proposals.

We are heartened that the Securities and Exchange Commission ("SEC") is proposing that shareholders have access to corporate proxy materials to nominate directors. The current economic crisis is clear evidence that we need to restructure the existing nominating process to provide the opportunity for the election of directors who will protect shareholder interests by exercising independent oversight of management.

We are writing to urge that the SEC adopt rules that provide:

--A uniform minimum proxy access standard at all companies. A state law carve-out would represent precisely the sort of blurring of securities law with substantive state corporate law that the SEC has generally sought to avoid. Clarity and certainty is far more preferable than confusion.

--A two-year holding period requirement for shareholder nominations. The proxy access procedure should be designed for long term holders, not short term investors that would be tempted to manipulate the procedure by forcing companies to pump up their stock price at the expense of long-term shareholder value. We also believe that the SEC should clarify its definition of "continuous ownership" to take into account that long-term shareholders such as our clients

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may periodically lend their shares to others, while retaining the right to recall those shares to vote them in specific situations. Those lent shares remain under control of the lending institution, which remains the beneficial owner. It then follows that the right to nominate directors should be based on the number of shares beneficially owned, not shares that are held on loan.

--A tiered-ownership scheme calibrated to the market value of the relevant company to determine eligibility to make nominations. We believe the scale proposed in S7-10-09 (1% ownership for companies with worldwide market value of $700 million or more, 3% ownership for companies with worldwide market value of $75 million or more but less than $700 million, and 5% ownership for companies with worldwide market value of less than $700 million) appropriately ensures that only substantial shareholders will be able to participate.

--An eligibility standard that gives priority to the largest group of shareholders seeking to nominate as opposed to the first group to get in line. This approach was followed in the Private Securities Litigation Reform Act for the designation of a lead plaintiff and is fairer than the quickest to the front of the queue approach. The goal should be to empower shareholders with the greatest stake in the company's long-term financial growth, not those with the quickest feet.

--Amending Rule 14a-8(i)(8) to allow shareholder proposals that seek to implement a proxy access procedure. We believe that the proposed amendment is appropriate as a supplement to the rights granted under the broader proxy access proposal embodied in S7-10-09. If the broader proposal is not adopted, then this amendment would be even more critical.

If you have any questions about this letter, please feel free to contact me at 312-612-8452 or Kinczewski@marcoconsulting.com.

Very Truly Yours,

Greg A. Kinczewski
Vice President/General Counsel

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