August 9, 2009

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

Re: File No. S7-10-09
Release No. 34-60089
Facilitating Shareholder Director Nominations

Dear Ms. Murphy:

I wish to voice my strong opposition to the Securities and Exchange Commission's newly published proposed rules that would require companies to include shareholder nominees for election in their proxy materials. If adopted, I am concerned that the judgment of the shareholders, boards of directors, and state legislatures would be substituted with that of the SEC. Under the current system, boards of directors maintain equilibrium between the long term management goals and short term goals of shareholders. Implementing the proposed new rules would throw off this balance by placing too much power in the hands of the SEC, which would in turn damage the efficiency of elections and compromise the wellbeing of companies.

The SEC's proposed new rules would undermine the high standards that companies have in place for selecting candidates. By permitting shareholders to nominate directors through the company's proxy materials, directors could be nominated and approved without going through the extensive vetting process that directors have been subject to in the past. Transferring this power into the hands of small groups of shareholders—including activists and special interest holders—would transform the election process into a proxy battle, weakening the influence of board members and prioritizing the interests of shareholders.

The proposed access rules would not only politicize these elections, the need for significant corporate resources would cause costs to rise. Instead of working full time to promote the best interest of the company, boards of directors and executive leadership would be forced to concentrate on continuous elections, to the detriment of the company and shareholders alike.

The current system simply cannot handle the increasing number of election contests that are sure to take place should these proposed rules be approved. While I appreciate the SEC's focus on increasing accountability of corporate directors, I am adamant that replacing the current system with a federal proxy access right would be harmful to states, corporations and shareholders alike.

Please take my comments into consideration and vote down the proposed rule changes.

Respectfully,

W. Edwin McMahan
Partner, Co-Chairman