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August 17, 2009

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

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

Dear Ms. Murphy:

Broadridge Financial Solutions, Inc. appreciates the opportunity to comment on the proposed rules. The proposal would require companies to include in their proxy materials the nominees of certain eligible shareholders.

Broadridge does not opine on regulatory policy. We are a leading technology and processing services firm that assists financial intermediaries in fulfilling obligations associated with shareholder communications and proxy voting.¹ We have long been committed to making the investments in systems, operations, and human capital necessary to support the evolving needs of U.S. capital markets. Examples include successful implementation of rules for electronic delivery and electronic voting, electronic shareholder forums, and the Notice & Access delivery option.

We welcome the opportunity to comment on the technological and operational aspects of regulatory proposals related to shareholder communications and proxy voting, and to provide detailed analyses and statistical information on the potential impact of such proposals on participation and efficiency. We commented previously on the technological and operational

¹ Broadridge's Investor Communication business provides technology outsourcing and processing services on an arms-length, fee-for-service basis to 900+ custodian banks and broker-dealers. These services facilitate communications and voting for 90+ million beneficial shareholder accounts and 13,000+ meetings, each year, of public companies and registered investment companies in North America.

requirements associated with effective implementation of the Commission's "proxy access" proposals in 2003 and 2007, and we appreciate the opportunity to submit comments at this time.²

Estimated time and effort required to implement the proposed rules

We have carefully examined the technological and operational requirements associated with implementing the proposed rules for all participants in U.S. markets. With investments in initial development, as well as in ongoing maintenance and support, we are confident our systems and processes are sufficiently flexible and robust to accurately and efficiently support the requirements as proposed.

Initial development efforts would be required in such areas as job set-up, ballot creation, vote processing, vote reporting, and tabulation. Modifications would need to be made to platforms for distributing information and voting. Specifically, modifications would need to be made to the following platforms:

- ProxyEdge – client server and internet deployed application suites supporting the institutional shareholder
- ProxyVote.com – an internet deployed application used to support the individual and institutional shareholder
- Telephone voting – a voice response system used to support the individual and institutional shareholder
- Paper Vote Return Optical Scanning – application developed to process incoming paper ballot returns from the individual and institutional shareholder
- Proxy Plus Data Entry – system used to record the votes that could not be processed via the scanning systems
- ICSONline – an Internet deployed application used to record the voting instructions from nominees
- Consolidated Data Feeds – direct data feeds between Broadridge and voting agents

² Refer to letter from Mr. Richard J. Daly, Group President, Automatic Data Processing, January 27, 2004 and to letter from Mr. Richard J. Daly, CEO, Broadridge Financial Solutions, October 2, 2007

We estimate the initial development effort would require an investment, on our part, of approximately 15,000 to 18,000 person-hours. We would assign approximately 60 development resources toward this effort and therefore we will be prepared to fully support any and all “access” meetings within five months after the final rules are published.³

Similar to contested meetings, we believe certain operational, client service, and processing costs would likely increase for annual meetings in which shareholders have used the new rules to nominate board candidates (“access meetings”). Examples of areas that could lead to increased costs include the following, among others:

- In general, access meetings bear a number of similarities to contested solicitations.
- Access meetings would involve greater number of inquiries from management, solicitors, shareholders, and shareholder groups.
- They would involve a greater number of vote updates and increased activity with regard to vote reporting.
- The proposed rules could create incremental demands associated with increases in late voting.
- There could be higher levels of manual data entry given the potential for a greater number of “mis-marks” on paper ballots.

Areas in which clarification would be helpful in operation of final rules

On July 23, 2009, Broadridge officials met with members of the SEC’s Division of Corporation Finance to provide information and to discuss preliminary issues related to our programming and processing initiatives. We look forward to additional discussions should final rules be developed. We will also continue to actively reach out to issuers, investors, financial intermediaries and the Broadridge Steering Committee (which consists of representatives from

³ Broadridge utilizes detailed methodologies for estimating resource requirements and delivery schedules for systems development projects. These methodologies encompass requirements gathering, planning & estimating, functional & technical specification, database development, building & unit testing, stress & acceptance testing, quality assurance, and related activities for both mainframe and Internet environments. Downstream development estimates are not included in the estimate of the initial development hours provided above, and such ongoing efforts do not impact the lead-time necessary to begin processing “access” jobs.

banks, brokers, issuers and institutional investors) for purposes of obtaining information about requirements and processing details.

Based on our preliminary analysis and feedback from our outreach discussions to date, we believe participants could benefit from the SEC's providing additional detail in several areas, including, for example, the following:

- Business rules for tabulating votes with shareholder candidates. For example:
 - If there are 10 director seats available, and a shareholder nominates 1 candidate, bringing the total to 11, would the entire proxy be invalidated or just the director proposal if a shareholder votes in favor of ALL 11 nominees?
 - Does a vote against or abstain constitute a "vote", and would the shareholder be limited to "vote" on only 10 nominees?
- Voting options should be clearly specified. Since the director nominees will be treated as individual proposals, the standard voting options of For, Against, or Abstain would apply. Is a "withhold" choice also contemplated?
- Would a majority voting standard be allowed given the possibility of less than a full slate being elected?
- The proposal allows the issuer or shareholder to "solicit in favor of their nominees outside the proxy statement" via a designated website or written material. Would the shareholder be allowed to include management's voting instruction form, or proxy, with the written material?
- Are there any requirements regarding the order of the proposals presented on the proxy card? For example, can director items be intermixed with the proposals, or can the shareholder nominee be separated from the management proposal?
- If common and preferred shareholders are voting on class-specific candidates, will nominations be allowed on both, or will they be limited to the principal voting security?
- How would the Notice and Access process be affected? Are changes being considered that would allow use of a second Notice with the first mailing? Will additional explanatory text be allowed to highlight that a shareholder nominee is included?

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Technologies for facilitating communications

The proposed rules create occasions for additional communications between companies and shareholders and among shareholders. As we have previously noted in comments on other releases, there are a number of technologies that are available and are being used today to facilitate such communications.

For example, issuers or shareholders can sponsor electronic forums as an additional means of engaging shareholders -- for such purposes as providing information and filings, and surveying on matters of importance. Similarly, social networking technologies are available for shareholders to initiate discussion topics among other validated shareholders. For example, brokers can be provided an electronic environment that safeguards privacy and provides accountability for certain statements made online.

In addition, during the 2009 proxy season, for the first time, a "virtual" shareholder meeting with online, real-time voting was used in conjunction with a "physical" annual meeting. The technology environment enabled validated shareholders to view information, provide survey input, submit questions to management and directors, and vote in a secure environment. These and other technologies offer significant potential to foster constructive engagement among issuers and shareholders. Efforts to provide easy "on-ramps" and greater connectivity to investors in social networks are a natural technological evolution of the proxy process.

Broadridge appreciates the opportunity to comment on the proposed rules and is available for further discussion regarding this matter.

Sincerely,



cc. Honorable Mary L. Schapiro, Chairman
Honorable Luis A. Aguilar, Commissioner
Honorable Kathleen L. Casey, Commissioner
Honorable Troy A. Paredes, Commissioner
Honorable Elisse B. Walter, Commissioner
Meredith Cross, Director, Division of Corporation Finance
Brian Breheny, Deputy Director, Division of Corporation Finance
Felicia Kung, Chief, Office of Rulemaking, Division of Corporation Finance