CtW Investment Group

August 17, 2009

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

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

Dear Secretary Murphy:

On behalf of the CtW Investment Group, I write to commend the Commission's leadership under Chairman Mary Shapiro for advancing proposed Rule 14a-11, allowing shareholders access to the corporate proxy to nominate directors. We believe the proposed Rule will greatly facilitate the exercise of shareowners' fundamental rights to nominate and elect directors. To better ensure that the Rule properly emphasizes the interests of long-term investors, we urge the Commission to extend the holding period to two years preceding the date of the required shareholder notice.

The CtW Investment Group works with pension and benefit funds sponsored by unions affiliated with Change to Win, a federation of unions representing six million members, to enhance long-term shareholder returns through active ownership. As we expressed to Chairman Schapiro last spring, the CtW Investment Group has long sought the reforms embodied in the Commission's proposed Rule 14a-11.

While directors legally serve shareholders as their agents in the oversight of management, numerous impediments such as unequal access to the proxy too often result in directors who are effectively put forward by and accountable only to themselves.

State law permits shareholders to run director candidates, but this fundamental shareholder right remains effectively unavailable so long as shareholders' nominees are denied equal access to the corporate proxy. As a result, incumbent directors' election campaigns are funded directly through the corporate treasury, while shareholders seeking to nominate directors to the board are forced to mount independent proxy solicitations, the expense of which is often prohibitive. As noted in the Commission's Release on the proposed rule, governance experts have noted that,

> *[A]bsent an effective way for shareholders to exercise rights to nominate and elect directors that state corporate law presumes shareholders have, the election of directors is a self-sustaining process of the board determining its members, with little actual input from shareholders … without competition for director elections, directors are effectively unaccountable to shareholders and may lose sight of their proper role as representatives of the company.*

Granting institutional shareholders the ability to nominate independent candidates for boards addresses this longstanding problem.

1900 L Street NW, Suite 900 Washington, DC 20036 | 330 W. 42nd Street, Suite 900 New York, NY 10036
202-721-6060 212-290-0308
www.ctwinvestmentgroup.com

As noted above, the CtW Investment Group endorses each element of the current proposal with one exception. We recommend that the holding period requirement be set at two years as of the date of the shareholder notice on Schedule 14N instead of one year. We believe that a one-year holding period would expose companies and their shareholders to opportunistic nominations of directors that could place the interests of short-term investors over the long-term interests of the company. A two-year holding period requirement would better ensure that shareholder-nominated directors are properly focused on long-term value creation for the company's investors.

Again, we commend the Commission and urge adoption of the rule with the modification of the holding period requirement as outlined above.

Sincerely,

William Patterson