

*Ned C. Lautenbach*



August 4, 2009

*Via Email: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)*

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

Re: Facilitating Director Nominations,  
Release Nos. 33-9046; 34-60089; IC-28765;  
File No. S7-10-09 (June 10, 2009)

Dear Ms. Murphy:

I wish to comment on the proposed amendments to the SEC's proxy rules that would permit stockholders to nominate directors in company proxy materials. I am an independent director of a company subject to the federal proxy rules and was CEO of two different public companies.

I believe that a federal proxy access right is unnecessary given the widespread governance changes that have occurred in corporate America over the last several years, and current state efforts to amend their corporation laws to structure and facilitate shareholder proxy access. Further, shareholders have many other avenues for input on company governance, including shareholder proposals, majority voting in director elections, and "vote no" campaigns.

The Commission should focus its efforts on the proposal to amend Rule 14a-8 to allow proxy access shareholder proposals. However, I believe the \$2,000 minimum ownership threshold for submitting stockholder proposals is so low as to be meaningless. I suggest raising the ownership threshold for proxy access proposals to a minimum of three percent, or \$1 million worth of company stock.

If the Commission ultimately decides to adopt some version of Rule 14a-11, I suggest that significant amendments be made to the current proposal. The "one-size-fits-all" approach of the proposal fails to recognize that stockholders and boards may desire an access system with thresholds and triggers that differ from those contained in the proposed rule. I believe that triggers are essential so that a federal proxy access right would only arise when there is a need for greater director accountability. Further, the ownership thresholds of the current proposal are too low. A more reasonable approach would be to require that an individual stockholder own five percent of a company's shares, or that a group of stockholders acting in concert own ten percent. I believe that the number of proxy access nominees should be limited to one director per proxy season to minimize the board disruption and drain on company resources that would accompany the addition of multiple new directors simultaneously.

Finally, if the Commission decides to implement some version of Rule 14a-11, the effective date of the new rule should be delayed until the start of the 2011 proxy season in order to enable governance experts to identify and address the myriad of complex issues that the new rule will create. This delay would also give companies time to amend their governance documents and educate their stockholders.

Thank you for the opportunity to comment on this proposal.

Yours truly,

A handwritten signature in black ink that reads "Ned C. Lautenbach".

Ned C. Lautenbach

NCL:hcm