July 27, 2009

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

RE: SEC File No. S7-10-09

Dear Secretary Murphy:

The Los Angeles County Employees Retirement Association’s (LACERA) Board of Investments is responsible for the management of $30.9 billion in public pension fund assets that provide retirement benefits for over 158,000 active and retired members. LACERA distributes approximately $2.0 billion in benefit payments each year, with the vast majority of these payments coming from investment earnings.

LACERA’s Corporate Governance Principles state “The fundamental objective that guided the Los Angeles County Employees Retirement Association when drafting Core Principles of good corporate governance was to safeguard and promote the economic interests of its active and retired members.” Furthermore, “It is also intended to communicate the importance of fiduciary duty, integrity, accountability, and transparency to Corporate America.” As such, LACERA is sharply focused on the capacity of shareholders to hold directors accountable for their actions.

In 2003, LACERA vigorously endorsed the SEC’s proposed rule that provided shareholders with a limited, structured method for nominating corporate directors. Again in 2006, LACERA sent a letter to Chairman Christopher Cox recommending realistic proxy access rules be considered that would not compromise the SEC’s role as the Investor Protector. However, when the subsequent rule was released in 2007, the proposed ownership thresholds were onerous and unrealistic. It appeared that the SEC was becoming the corporate protector at a time when sound corporate governance could have made a difference.
The latest SEC proxy access proposal, if approved, will allow qualified long-term investors to nominate candidates for director positions and provide shareholders with meaningful access to corporations in which they have an economic interest. In addition, it would ensure that directors are held accountable for their actions and drive them to focus more on long-term value creation. Meaningful proxy access could have minimized, if not prevented, some of the economic pain that LACERA and its beneficiaries are now experiencing.

Sincerely,

[Signature]

Gregg Bademacher
Chief Executive Officer

C: Members, Board of Investments
   Members, Board of Retirement
   Commissioner Kathleen L. Casey
   Commissioner Elisse B. Walter
   Commissioner Luis A. Aguilar
   Commissioner Troy A. Paredes
   Lillian Brown, Division of Corporation Finance
   Tamara Brightwell, Division of Corporation Finance
   Eduardo Aleman, Division of Corporation Finance