

August 10, 2009

The Honorable Mary L. Shapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE Washington DC 20549-1090

RE: Facilitating Shareholder Director Nominations
Release No. 33-9046, File No. S7-10-09

Dear Ms. Shapiro:

We welcome the opportunity to comment on the proposed rules outlined in Release No. 33-9046 (File No. S7-10-09) that would remove impediments to shareholders' ability to nominate directors to a company board. We support allowing shareholders to exercise the important fundamental right of nominating directors to the boards of companies in which they invest and commend the Commission for proposing to remove impediments to exercising this right.

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Since shareholders elect directors to serve as their representatives on the boards of companies in which they invest, we believe the election of directors is the most important proposal on which shareholders vote. Through the vote, shareholders can hold directors accountable and remove directors who fail to adequately represent shareholders' interests in overseeing management and ultimately working to increase shareholder returns.

We believe, however, that shareholders should not only be able to remove a poorly performing director but should also be able to nominate a new director who they feel would better represent their interests and those of other shareholders. We believe that in those limited cases where a majority of shareholders reject a director through the vote at a shareholder meeting, the director should resign; we similarly believe that where a significant, long-term shareholder believes the board's director selection process has not served shareholders well, it is reasonable to allow that shareholder to exercise judgment in nominating a new director. We believe shareholders would exercise the nomination right only rarely, and rarer still would be the actual election of a dissident director since other shareholders would need to vote in support of the dissident's director nominee at the subject company.

However, we recognize that contested director elections are distracting, expensive and time-consuming to company management and directors. The very low likelihood of an unqualified, agenda-driven dissident candidate being elected does not lessen the concern that the nomination of a director not supported by the current board can distract management and the board from focusing on the strategy of the company as they strive to fend off the dissident director and, in the case of directors, save their positions. Further, we also recognize that with the adoption of majority voting by most large companies coupled with the pending elimination of the use of broker voting for director elections, director elections are much more meaningful.

Therefore, we believe a careful balance must be struck between allowing significant, long-term shareholders to nominate directors against discouraging nominations by small and short-term shareholders with investment or other goals potentially very different than those of the majority of shareholders. We therefore recognize the need for appropriate minimum ownership and/or holding-period thresholds to safeguard against abuse of the nomination process afforded by insufficient thresholds.

While we are not commenting on the ownership thresholds as proposed in the release, we recommend that the Commission closely examine the appropriateness of such thresholds to ensure the nominating shareholder has displayed a significant and long-term stake in a company. Further, we commend the Commission's nuanced approach in proposing varying ownership thresholds depending on the market capitalization of the company. We further support the proposal as outlined in the release to require companies to include in their proxies shareholder proposals to amend a company's nomination procedures. We believe the proposed changes further promote director accountability and will enhance shareholder rights by granting shareholders a direct vote on changes to a company's director nomination procedures.



We would be happy to provide any additional information to the SEC regarding this matter. Thank you for the opportunity to comment on the proposed rule changes regarding director nominations.

Sincerely,

/s/

Katherine Rabin
Chief Executive Officer

/s/

Robert McCormick
Chief Policy Officer

cc: Kathleen L. Casey, Commissioner, Securities and Exchange Commission
Elisse B. Walter, Commissioner, Securities and Exchange Commission
Luis A. Aguilar, Commissioner, Securities and Exchange Commission
Troy A. Paredes, Commissioner, Securities and Exchange Commission