



Sisters of Mercy of the Americas

Hermanas de la Misericordia de las Americas

**WEST MIDWEST COMMUNITY**

August 13, 2009

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

**Re: Release Number: 34-60218, File No. S7-12-09**

Dear Secretary Murphy:

On behalf of the Sisters of Mercy Regional Community of Detroit Charitable Trust, an investment program of one of the U.S. geographic communities of the Institute of Sisters of Mercy of the Americas, I am submitting comments on the proposed rule issued July 1, 2009, Release Number 34-60218, File No. S7-12-09 entitled "Shareholder Approval of Executive Compensation of TARP Recipients."

The Sisters of Mercy Trust supports the measures the Commission is proposing. Such regulations, if implemented and enforced, are likely to rebuild investor confidence, particularly with respect to the financial services industry.

The Sisters of Mercy Trust supports the proposal requiring Troubled Asset Relief Program recipients to provide shareholders with an annual advisory vote on executive pay in their proxy solicitations. We hope the practice is instituted as corporate policy. The Trust joins investor colleagues who recommend that the SEC extend the Advisory Vote requirement to all publicly traded companies. We believe that regulating increased care in presenting the reasons for the multi-million dollar pay packages will help Boards of Directors with their decisions.

We support full, clear disclosure of executive compensation in proxy statements as well as SEC approval of a change to the New York Stock Exchange rule that prohibits brokers from voting proxies in corporate elections without instructions from their customers.

The Sisters of Mercy Trust has been an active investor for over 25 years, first as a member of the Michigan-Indiana Coalition for Responsible Investment and in recent years, holding membership in the Interfaith Center on Corporate Responsibility. The Trust files shareholder resolutions, dialogues with

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management, attends annual shareholder meetings and votes proxies. Because the Sisters of Mercy work in ministries across the U.S. and Latin America, advocacy encompasses a variety of social, environmental and governance issues. Corporate governance became one of our priorities recently.

The past year demonstrates opportunity for shareholder input regarding the incentive systems at public companies. Additionally, we agree with clarifications regarding annual meeting solicitation, advisory nature of the compensation vote and that smaller companies do not need to provide a compensation and analysis section in their proxy statements.

In response to the Commission's request for specific input, we join our colleagues who believe the best way to provide such the executive compensation vote is a management sponsored resolution, similar to that used to ratify auditors.

The Proxy Disclosure and Solicitation Enhancements proposed are useful as well. We believe companies should be required to:

- Define the relationship of its overall compensation policy to risk
- Disclose the qualifications of its directors, executive officers and nominees
- Describe the company's leadership structure, and
- Disclose potential conflicts of interest of compensation consultants.

We support attention to board diversity in companies, disclosure of board qualifications, as well as endorse SEC attention to the role and independence of compensation consultants. We appreciate the Commission's support of the NYSE proposal to eliminate broker discretionary voting for all elections of directors, whether contested or not.

Institutional investors such as the Sisters of Mercy Trust commend the Commission's efforts to enhance investor access to company management. Many changes discussed during the July 1, 2009 hearing have been requested in previous years. We encourage the strengthening of regulations and disclosures to strengthen investors' ability to make possible the best investment decisions.

Yours truly,

Handwritten signature of Valerie Heinonen in cursive script, with the initials 'o.s.u.' written below the name.

Valerie Heinonen, o.s.u.  
Consultant, Corporate Social Responsibility

Cc: Commissioner Mary Schapiro, Commissioner Kathleen L. Casey, Commissioner Elisse B. Walter, Commissioner Luis A. Aguilar, Commissioner Troy A. Paredes