



UNITARIAN UNIVERSALIST
ASSOCIATION OF CONGREGATIONS

September 8, 2009

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

Timothy Brennan
Treasurer and
Chief Financial Officer

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

Dear Secretary Murphy:

We write to submit comments on the Securities and Exchange Commission's (SEC) proposed rule issued July 1, 2009 as Release Number 34-60218, File No. S7-12-09 entitled "Shareholder Approval of Executive Compensation of TARP Recipients." We strongly support the proposed rule requiring TARP recipients to provide shareholders an annual Advisory Vote on executive compensation. We further suggest that the SEC extend the Advisory Vote requirement to all publicly traded companies.

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The Unitarian Universalist Association of Congregations (UUA) is a faith community of more than 1000 self-governing congregations that bring to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been a force in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately \$100 million, the earnings of which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the investment process as an opportunity to bear witness to our values at the same time that we seek long-term growth of our assets.

The UUA has been active with several other institutional investors in promoting the Advisory Vote (also known as "Say on Pay") through letters, dialogue and shareholder resolutions. Many companies commented that they understood and were sympathetic to our rationale for this governance reform. Yet one of the most frequently repeated arguments against the voluntary Advisory Vote was the contention that complying companies could be at a competitive disadvantage relative to their competitors that did not hold such a vote. Whether or not this would hold true in the markets, it was a frequently reported concern within the financial services sector.

We believe that this argument underscores the need for a uniform requirement promulgated by the SEC. A mandate calling for all companies to have an annual Advisory Vote levels the playing field: No company would be at a disadvantage competitively.

The UUA holds the position that executive pay should be tied to long-term organizational performance. We also believe that publicly held companies should provide a venue for stockholders to express their views concerning how top management is compensated. During the 2009 proxy season, the UUA co-sponsored five shareholder proposals seeking an advisory vote on executive compensation. One passed, one was withdrawn when the company agreed to hold the vote (it was a TARP company), and the others received 40 to 49% support. In the 2009 proxy season shareholder votes for Say on Pay averaged 47 percent (generally ranging from 40-55 percent), with 19 companies garnering majority support. The Advisory Vote is widely supported by shareowners that see it as an element of good governance and one important tool to strengthen corporate accountability and responsiveness on executive compensation matters.

In summary, we understand that this request for comments focuses on the SEC's proposed regulation of TARP companies. We urge the SEC to require the Advisory Vote for not just the TARP companies, but for all listed companies above a reasonable market capitalization.

Sincerely,



Timothy Brennan
Treasurer and Chief Financial Officer