



OppenheimerFunds®

OppenheimerFunds, Inc.
Two World Financial Center
225 Liberty Street
New York, NY 10281-1008
www.oppenheimerfunds.com

John Okray
Vice President and Assistant Counsel
Telephone: 212-323-5983
Facsimile: 212-912-6341
Email: jokray@oppenheimerfunds.com

September 24, 2009

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

Re: Proxy Disclosure and Solicitations Enhancements (File No. S7-13-09)

Dear Ms. Murphy:

OppenheimerFunds, Inc., on behalf of itself and its investment advisory subsidiaries (“OppenheimerFunds”)¹, is pleased to submit comments to the U.S. Securities and Exchange Commission (the “Commission”) regarding the amendments to Item 407 of Regulation S-K and the transferring of the requirement to disclose vote results from Form 10-Q and 10-K to Form 8-K that the Commission proposed in its release entitled “Proxy Disclosure and Solicitation Enhancements” (Release Nos. 33-9052; 34-60280; IC-28817)(File No. S7-13-09) (“Proposed Rules”).

Disclosure Regarding Compensation Consultants

OppenheimerFunds supports the Commission’s efforts to enhance transparency to investors around the use of compensation consultants by publicly-held corporate issuers. As the investment adviser to a number of registered investment companies and separately managed accounts that are “investors” in such issuers, we believe the additional information that will be available pursuant to the Proposed Rules

¹ OppenheimerFunds, Inc. is the investment adviser to approximately 100 investment companies that comprise the OppenheimerFunds family of mutual funds, having more than 6 million shareholder accounts. The OppenheimerFunds mutual funds are sold to members of the public primarily by financial intermediaries that have selling agreements with our subsidiary, OppenheimerFunds Distributor, Inc.

will substantially assist our proxy voting committee in discharging its responsibilities on behalf of its clients. In the Proposed Rules the Commission discusses a number of potential conflicts-of-interest that may arise if compensation consultants provide ancillary services to issuers. We feel that there may be a potential conflict-of-interest if a proxy advisory service that provides analyses and voting recommendations to institutional investors on executive and director compensation proposals as well as the re-election of board members serving on an issuer's compensation committee also provides consulting services to that same issuer on compensation or other corporate governance matters². Given that proxy advisory services potentially can influence the results of director elections and compensation proposals, those ancillary service arrangements, absent full disclosure, have the same potential for abuse as occurred a number of years ago when investment banks raising capital for issuers also provided investors with buy and sell recommendations with respect to the same issuers. Another analogy was the case of public accounting firms providing opinions on the financial health of issuers while also providing a host of other consulting services to the same issuers, a practice no longer permitted. While we acknowledge the U.S. Government Accountability Office studied proxy voting advisory services a couple of years ago³ and did not find evidence of abuse at that time, it does not ameliorate the fact that a lack of disclosure to all investors of these types of arrangements has the potential for abuse and could cause harm to the markets as demonstrated by the previously cited examples.

With this background in mind and considering other proposals being considered by the Commission that, if enacted, could result in closer votes on director elections or contentious proposals, we believe the Commission should require corporate issuers to publicly disclose in sufficient detail any⁴ consulting services they received from a proxy advisory service under the Compensation Discussion and Analysis section of their proxy statements under Section 14(a) of the Securities Exchange Act of 1934, as amended. Even if proxy advisory services have confidentiality walls between their corporate consulting and proxy voting research departments or they provide generic disclosures on written proxy voting analyses to the effect that they *may* have a consulting relationship with an issuer, neither of these measures are a substitute for full and timely disclosure to the investment community of actual services provided to the issuer. Proxy advisory services generally support best practices in corporate governance, including disclosure of potential conflicts-of-interests involving directors, management and auditors. We believe this is consistent with the Commission's Proposed Rules on the treatment of consultants.

We believe this approach to transparency and disclosure is preferable to more dramatic alternatives available, such as an outright prohibition of proxy advisory services providing consulting services to corporate issuers.

Reporting of Voting Results on Form 8-K

We support the Commission's efforts to require corporate issuers to provide timelier vote results to investors from shareholder meetings. As the Commission notes in the Proposed Rules, under the current reporting regime several months could pass before the votes from a shareholder meeting are disclosed in a Form 10-Q or 10-K. Since the entire boards of many issuers are elected annually and the results of important proposals should be made available to investors on a timely basis, requiring the filing of preliminary results on a Form 8-K within four business days and an amended Form 8-K with the final results shortly after they are compiled would improve transparency and corporate governance.

² It is our understanding that not all proxy advisory services provide consulting services to corporate issuers.

³ GAO-07-765 *Corporate Shareholder Meetings – Issues Relating to Firms that Advise Institutional Investors on Proxy Voting*.

⁴ We believe the disclosure of consulting services should not be strictly limited to compensation matters since any compensation received for consulting services by a proxy voting advisory firm has the potential to influence their analysis and recommendations. We believe it would be appropriate for the Commission to establish minimum dollar thresholds to the value of such compensation that would trigger reporting obligations.

OppenheimerFunds, Inc. appreciates the opportunity to comment on the Proxy Disclosure and Solicitations Enhancements Proposal and the efforts by the Commission and the Commission staff to enhance the quality and timeliness of information related to shareholder meetings of registered issuers.

Sincerely,

/s/ John Okray

John Okray
Vice President & Assistant Counsel

cc: The Honorable Mary L. Schapiro, Chairman
The Honorable Kathleen L. Casey, Commissioner
The Honorable Elisse B. Walter, Commissioner
The Honorable Luis A. Aguilar, Commissioner
The Honorable Troy A. Paredes, Commissioner
Meredith B. Cross, Director, Division of Corporate Finance
David M. Becker, General Counsel & Senior Policy Director
William Glavin, President and CEO, OppenheimerFunds
Robert G. Zack, Executive Vice President and General Counsel, OppenheimerFunds
Chris Leavy, Senior Vice President and CIO, Equities, OppenheimerFunds
Art Steinmetz, Senior Vice President and CIO, Fixed Income, OppenheimerFunds