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SISTERS OF ST. JOSEPH OF CARONDELET
ST. LOUIS PROVINCE

September 2, 2009

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

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OFFICE OF THE SECRETARY

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

On behalf of over 600 Sisters and Associates, I am writing to express our support for the Securities and Exchange Commission's (SEC) proposed rule, Proxy Disclosure and Solicitation Enhancements.

The Sisters of St. Joseph of Carondelet and Associates, believe enhanced disclosure of director nominees is important to restoring investor trust in boards of directors. Specifically, increasing important boardroom diversity disclosures will help investors make more informed voting decisions and better assess the entire board composition. We welcome the opportunity to comment on these critical provisions and today will specifically address the need for (1) disclosure of whether diversity is considered in the director nomination process and (2) disclosure of the gender and racial breakdown of directors and director nominees.

We believe that healthy corporations are characterized by sound corporate governance and overall corporate social responsibility. The well-governed sustainable and responsible company meets high standards of corporate ethics and operates in the best interests not only of shareholders but also of other stakeholders, including employees, customers, communities and the environment. In our view, companies that combine good governance and corporate social responsibility avoid unnecessary financial risk and are better positioned for long-term success.

Over the past year, we have seen a series of governance failures that can be laid directly at the doors of various actors including directors - who have the duty to represent the interests of shareholders. Scores of directors failed to properly manage these duties, and millions of shareholders have been harmed.

Against this backdrop, we believe now is an appropriate time to re-examine the rules governing nominee and director background disclosures. The current methodology that guides the disclosure of the director, nominee, and nomination process has resulted in boilerplate generalities at best, and little or no meaningful disclosure. Indeed, as investors we research thousands of companies annually, and it is rare that we receive proxy disclosures adequate to properly assess a directors' background.

We believe in particular that diversity is a critical attribute to a well functioning board and an essential measure of good governance. In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, experience and expertise internally increases the likelihood of making the right decisions. We believe director and nominee diversity that includes race, gender, culture, age, thought and geography helps to ensure that different perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive. This diversity of thought may have mitigated the shortcomings in oversight of risk management that we witnessed this past year.

While many have confirmed the notion of diversity as good business, progress has been slow. According to Catalyst, in 2008 women represented 15.2 percent of Fortune 500 directors, versus 13.6 percent in 2003. Corporate boardrooms are far from reflecting the diversity of the global marketplace.

A broad and growing group of investors has increasingly supported boardroom diversity in its investment policies. Earlier this year, the Council of Institutional Investors amended its Corporate Governance Policies to explicitly support a diverse board in background, experience, age, race, gender, ethnicity, and culture.

- **Disclosure of whether diversity is considered in the director nomination process**

We believe leading companies are those that include a specific mention of diversity in race and gender in their director selection criteria and consider candidates from non-traditional areas. Further, companies should ensure that every time a slate of directors is provided, qualified women and minority candidates are included as part of the pool from which they are chosen. We encourage the SEC to require companies to disclose whether they do consider diversity in the nomination of director nominees. Such disclosure would give investors confidence that nominating committees are searching beyond the traditional circles to consider fresh and independent viewpoints.

- **Disclosure of gender and racial breakdown of directors and nominees**

Further, we feel it is necessary for companies to disclose director and nominee race/ethnic and gender representation data. Gender representation can often be determined by analyzing the proxy statement. However, investors are unable to accurately determine the level of minority representation on corporate boards. Representation data has been long sought after by investors to make more knowledgeable voting decisions and evaluate the entire board composition. Investors need this additional disclosure to properly assess the makeup of boards and formulate comparisons across companies, highlighting boards with no diversity. This, in turn, likely would have an impact on the overall status of boardroom diversity.

In closing, we feel current proxy disclosures limit investors' ability to properly assess director nominees and board composition. We feel additional disclosure with regard to boardroom diversity - both in the qualification of candidates and in representation data - is critical to restoring investor confidence and enabling a more informed voting process.

We thank you for the opportunity to comment and hope the SEC will expand proxy disclosure requirements to include these important boardroom diversity provisions.

The favor of your prompt response is appreciated.

Sincerely,

Diana Oleskevich CSJA

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