



October 20, 2010

Ms. Elizabeth M. Murphy, Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

RE: Concept Release on the U.S. Proxy System (File No. S7-14-10)

Dear Ms. Murphy:

The Marco Consulting Group ("MCG") is a registered investment adviser and proxy voting agent to more than 300 institutional investors—primarily jointly-trusted ERISA benefit plans but also a growing number of public employee benefit plans—whose aggregate asset valuation in excess of \$130 billion.

Most of our clients delegate their proxy voting to MCG. Our clients view proxy voting as an important tool for protecting their investments and many of them actively engage the companies they own by filing shareholder proposals and attending annual meetings. MCG anticipates voting at nearly 9,000 U.S. and overseas company meetings in 2010.

Thus we welcome the opportunity to comment to the Securities and Exchange Commission ("SEC") on the Concept Release on the U.S. Proxy System, File No. S7-14-10.

The prime point we would like to make is that, from our perspective as a proxy voting agent for institutional investors—many of whom attend shareholder meetings, the U.S. Proxy System is functioning better now than at any other time in the 21 years we have been voting our clients' proxies.

The current proxy distribution and voting process that is funneled through Broadridge Financial Solutions' electronic voting platform works very well for our clients. We get proxy materials in a timely and efficient manner and we have had no complaints regarding the accurate and transparent tabulation of the votes we cast. Working with Broadridge, we have been able to get our clients access to shareholder meetings with minimal confusion or disruption. We believe that the fees regulated by the New York Stock Exchange under Rule 465 and approved by the SEC have been appropriate and fair. This appears to be one case where centralization of activities has resulted in both productivity and accountability. We see no value in fragmenting it because of unsubstantiated faith in the virtues of an ill-defined "competitive market."

Ms. Elizabeth M. Murphy  
October 20, 2010  
Page Two

Although we are concerned by the drop in proxy voting by retail shareholders since the advent of the "notice and access" e-proxy notice, we hope that will be reversed over time as retail shareholders become more familiar with it. We are very suspicious of the proposed "client directed voting" system, which we fear could resurrect the discredited "uninstructed broker voting" system under more palatable terminology.

MCG functions more as a proxy agent than as a proxy voting advisory firm. Most of our clients delegate complete proxy voting authority to us and we apply our clients' proxy voting policies to proxy issues. We do, however, have some clients that reserve proxy voting authority on certain case-by-case issues and we send them vote recommendations on those issues. In those limited instances, we do function like such proxy voting advisory firms as ISS, Glass Lewis and Proxy Governance Inc. MCG has been registered as an investment adviser under the Investment Advisers Act of 1940 since 1988. MCG's clients take obvious comfort in MCG being regulated by the SEC and MCG has not found registration to be burdensome. MCG sees no reason why all proxy advisory firms should not also be so registered.

Finally, we are puzzled as to why attention is being given to eliminating the rules that allow beneficial owners who do not want their contact information to be disclosed to companies [objecting beneficial owners ("OBOS")] to be able to maintain their privacy. Has the SEC received any requests from OBOS complaining that they have the right to privacy? We believe that if our clients want to retain their right of privacy, the SEC should grant it to them.

If you have any questions about this letter, please feel free to contact me at (312) 612-8452 or [Kinczewski@marcoconsulting.com](mailto:Kinczewski@marcoconsulting.com).

Very Truly Yours,



Greg A. Kinczewski  
Vice President/General Counsel

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