



October 25, 2010

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

Re: Comments on U.S. Proxy System File No. S7-14-10

Dear Ms. Murphy:

Thank you for providing the opportunity to comment on the mechanics of the U.S. proxy system. A lot has changed in the 30 years since the Commission last took a top-to-bottom look at proxy mechanics. We applaud you for taking the initiative to ensure that the regulatory foundation is up to date with the market realities of 2010.

- NOBO/OBO classification. The amended NYSE Rule 452, which eliminates the right of brokerage firms to vote their clients' uninstructed shares in routine director elections, will have an adverse impact on a company such as ours with a large percentage of our shares held by retail shareholders. We, and other companies in a similar situation, will face challenges from a smaller volume of votes from brokerage firms. Thus, having access to all shareholders in order to engage them in meaningful communication becomes critical. The NOBO/OBO classification, however, prevents public companies from knowing the identity of many of their shareholders. We believe the reform of the NOBO/OBO system will be beneficial to public companies and their shareholders, fostering greater engagement of all shareholders in the proxy voting process.
- Addressing the influence of proxy advisory services. These firms have an enormous impact on the proxy voting process and should be subject to more oversight by the Commission. We believe that an initial erroneous recommendation by one proxy advisory firm, albeit later revised, led to our having to withdraw a proposal due to insufficient proxies received to allow a majority of our outstanding shares to be cast in favor of the proposal. Issuers should have an opportunity to review the draft of the reports prepared by these advisory firms for accuracy and to respond to comments or recommendations with which they do not agree.
- Competition among proxy service providers. Currently, one service provider has a virtual monopoly with regard to the distribution of materials and the tabulation of votes from clients of brokerage firms and banks. While the public companies pay the fees for the service, they have no voice in setting the rate established by the regulators. The Commission has the opportunity to create a fair-market system for these services by enabling prices for proxy distribution and communication services to be established by open competition among trusted service providers handling these functions, not through

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the current fee schedule established under NYSE rules. Issuers should have a choice of agents in a competitive environment; choice would reduce costs by eliminating redundant processing and ensure that fees are set by market forces, thus fostering higher levels of service and product innovation. The current functions of (a) beneficial owner data aggregation and (b) proxy communications distribution should be separated, providing a public company with the opportunity to select a distribution provider of its own choosing in a fair market environment.

Thank you again for providing this opportunity to comment on improving the mechanics of the proxy system.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Jay B. Knoll', written over a large, stylized blue oval.

Jay B. Knoll
Executive Vice President, General Counsel
and Corporate Secretary