



VIA ELECTRONIC AND REGULAR MAIL

October 4, 2010

The Honorable Mary L. Schapiro,
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chairman Schapiro:

Our company strongly supports your recent announcement that the Commission is undertaking a comprehensive review of the proxy voting and shareholder communications system. We are very appreciative of your leadership on this issue, given the many other significant matters currently before the Commission. M/I Homes, Inc. national single-family homebuilder and we employ over 500 employees, and are a small-cap company given our market capitalization and we believe our views may be representative of those of many other similarly situated companies.

Attached to this letter are some key points we believe are key to understanding our experience with the proxy system.

Please feel free to contact me with any questions you may have, or if you require additional information or clarification about any of the concepts presented in this letter. Thank you again for your leadership on these proxy “plumbing” issues.

Sincerely,

Ann Marie W. Hunker
Vice President, Controller

Attachment

Proxy Issues:

- **Excessive Cost.** Under SEC and NYSE rules, brokers, banks and other financial intermediaries are responsible for handling proxy processing activities among their customers, including the delivery of proxy materials. However, our Company pays for the proxy processing services provided to our shareholders by these financial intermediaries. Reimbursement rates for the “reasonable expenses” of proxy servicers are established by the NYSE, subject to approval by the SEC. Under the current system, companies seeking to encourage more voting participation by beneficial owners cannot do so without using a circuitous and expensive process that is controlled primarily by one service provider acting as a agent for brokers and banks, yet funded by the public companies themselves. We believe a system that would allow a competitive fee structure and allow real competition would result in better service to public companies and lower costs. Our company has no choice in selecting a proxy service provider, exerts little to no control over the services that are actually provided, and has no ability to negotiate fees with the service provider. In fact, we have an ongoing dispute with one of our vendors who increased our rates approximately 300% year over year even though there was no verifiable increase in our shareholder base.
- **NOBO and OBO Classification.** The NOBO/OBO classification system prevents public companies from knowing the identity of many of their shareholders and engaging in any meaningful communications with them. It would be useful to companies to be able to understand the identity our shareholder base and develop a direct communication ability. Public companies should have access to contact information for all of their beneficial owners and should be permitted to communicate with them directly. The NOBO and OBO classification for beneficial owners should be eliminated. Those beneficial owners wishing to remain anonymous should be permitted to register their shares in a nominee account with their broker, bank, or other third-party intermediary. Those who are currently classified as OBOs should have adequate notice of the elimination of their OBO status, to permit them to decide whether to establish a nominee account. Communications with beneficial owners should only be for purposes involving the corporate or business affairs of a company. Federal privacy regulations should apply to the use of beneficial owner information received from a broker or bank.
- **Competition among Proxy Service Providers.** 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 proxy distribution provider of its own choosing. The proxy distributor should be responsible for transmitting the proxy statement and proxy forms to all shareholders, once the beneficial owner list is obtained from an entity serving as the data aggregator. The prices for proxy distribution and communications services should be established by open competition among service providers handling these functions, based on value to end users, and not through a fee schedule established by regulators.