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April 13, 2009

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

SUBJECT: Proposed Rule Change to NYSE Rule 452, File No. SR-NYSE-2006-92

Dear Ms. Murphy:

On behalf of General Electric Company, I am writing to comment on the proposal by the New York Stock Exchange ("NYSE") to amend NYSE Rule 452 to eliminate broker discretionary voting in uncontested director elections.

As an issuer of publicly traded securities, we believe that a strong proxy voting system is essential to effective governance, and we support the underlying premise of the proposal to amend NYSE Rule 452. We agree that the election of directors in uncontested director elections can no longer be considered a "routine" item with respect to which brokers have the discretion to vote uninstructed shares. However, we believe the Commission should not act to amend Rule 452 to eliminate broker discretionary voting in uncontested director elections without also carefully reviewing and implementing other changes to the proxy voting and shareholder communication rules and processes.

We respectfully request that the Commission consider a more comprehensive reform to the proxy voting system that, among other things, would allow brokers to continue to experiment with practices like "proportional voting" through which they vote uninstructed shares held in "street" name in proportion to how their other retail clients have voted on matters at a company. The proposed amendment to NYSE Rule 452 would put an end to proportional voting because brokers must rely on their discretionary voting authority to implement such practices. We urge the Commission to review the experience to date of brokers who have implemented proportional voting. While allowing broker discretionary voting in director elections may result in an imperfect measure of

retail shareholder sentiment, so does eliminating such discretionary authority when some shareholders may assume their brokers are voting for them. In this regard, proportional voting more closely approximates shareholder sentiment because it reflects actual voting patterns of similarly situated retail shareholders.

In addition to studying proportional voting, we believe that the Commission should thoroughly examine the concept of "client directed voting" which would provide retail shareholders with a more efficient means to provide voting instructions to brokers. Client directed voting would allow shareholders and brokers to agree on standing instructions for how shares would be voted by the broker. Client directed voting could be implemented in a number of different ways. For example, a shareholder may agree that in the absence of specific instructions, the broker is instructed to vote in accordance with the company recommendation on all proposals, against the company recommendation on all proposals, for or against the company depending on the type of proposal, or proportionally to other retail shareholders. The client could be notified of its standing instructions at the time that proxy material is delivered and have the opportunity to change the standing instruction, then if the client did not change its instructions, the broker would have the authority to vote in accordance with the standing instructions. The implementation of client directed voting could provide an even better reflection of actual shareholder sentiment than proportional voting.

General Electric, like many other companies, has adopted a majority vote standard in uncontested director elections. The elimination of broker discretionary voting in uncontested director elections, when coupled with a majority voting standard, will significantly increase the need for issuers to further educate their shareholders about the importance of voting in director elections. Indeed, many shareholders may not even realize that their failure to vote in uncontested director elections would effectively constitute a vote against the directors. A substantial roadblock to this education effort is that issuers do not have ready access to the list of shareholders who hold their shares in "street name" as the lists are maintained by brokers and banks. While issuers are permitted by Commission rules to request the names of such shareholders from the brokers and banks (and brokers are required to provide the list to issuers), the current system creates a mechanism for shareholders to object to disclosure of their names and addresses to issuers. Thus, the Commission's rules present a significant obstacle for issuers attempting to reach out to their shareholders about the importance of voting and other matters.

We believe that efficient, affordable communications with our shareowners is key to ensuring that they make informed voting decisions. The current process that issuers must follow to communicate with their street side beneficial owners is costly, time-consuming and an impediment to good communication among companies, boards and shareowners. We believe, therefore, that Rules 14a-13 (Obligations of Registrants in Communicating with Beneficial Owners) and 14b-2 (Obligation of Banks, Associations and Other Entities that Exercise Fiduciary Powers in Connection with the Prompt Forwarding of Certain Communications to Beneficial Owners) under the Securities

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Exchange Act of 1934 must be re-examined as part of the Commission's consideration of the proposed amendments to NYSE Rule 452.

In short, the Commission should not adopt the proposed amendments without a comprehensive consideration of the proxy voting system. The Commission should consider reforms that would allow "proportional voting" and/or "client directed voting," and would permit issuers to communicate directly with all their beneficial owners. "Proportional voting," while imperfect, is preferable to excluding all uninstructed retail votes. "Client directed voting" could use private ordering to attempt to capture more of the retail vote, and eliminating the distinction between objecting and non-objecting beneficial owners would enable issuers to educate their shareholders about the importance of voting in director elections.

Thank you for the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in black ink, reading "Michael R. McAlevey". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Michael R. McAlevey  
Vice President and Chief Corporate,  
Securities & Finance Counsel