



Terminal Drive, Plainview, New York 11803 • Phone (516) 677-0200 • Fax (516) 677-0380 •  
Internet [www.veeco.com](http://www.veeco.com)

March 26, 2009

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549  
Attention: Ms. Elizabeth M. Murphy, Secretary  
Via e-mail: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: Proposed Amendment to New York Stock Exchange Rule 452  
(Release No. 34-59464; File No. SR-NYSE-2006-92)

Ladies and Gentlemen:

Veeco appreciates the opportunity to comment on the New York Stock Exchange ("NYSE") proposal to amend NYSE Rule 452 to eliminate broker discretionary voting in director elections. Veeco's stock is traded on Nasdaq and we believe that, if this amendment is adopted by the NYSE, Nasdaq is likely to follow suit. As a result, this proposed rule is of great concern to many small companies, like Veeco, which are listed on Nasdaq.

As an issuer of publicly traded securities, we believe that a strong proxy voting system is essential to effective governance, and we support efforts to increase transparency in the system and improve communications with shareholders. However, we believe that there are problems with the current proposal that undermine the effectiveness of the proxy voting system and, without consideration of counterbalancing measures, could have negative and unintended consequences.

Eliminating discretionary broker voting without other reforms will suppress the voice of individual investors. Individual investors are already underrepresented in the current system. Any further erosion of the retail shareholder voice will shift disproportionate weight to institutional investors, and to their largely unregulated proxy advisors.

The broker vote is now an accurate reflection of retail shareholder sentiment given the recent growth of "proportional voting," through which at least 10 large brokers have begun to vote unvoted shares held in "street" name proportionally to how all their other retail clients have voted. The elimination of discretionary voting would put an end to this potentially effective way to ensure the representation of individual investors, since those brokers rely on their discretionary voting authority to implement "proportional voting" policies.

Eliminating discretionary voting would also increase costs of companies to obtain a quorum in otherwise routine matters, and make the proxy voting system less efficient. Having to pay third party proxy solicitors and reprint and resend proxy materials is a significant and additional cost burden that should be avoided. We urge the SEC to explore other alternatives that would avoid or mitigate this adverse impact before acting on the current proposal.

We believe that that the Commission should take a comprehensive, balanced approach to the proxy voting process. Other measures should be examined that would preserve and even augment the voice of individual investor and increase the efficiency of the proxy voting system. These alternatives may include proportional voting and client directed voting. Notice & Access, a modern and cost-effective initiative, can also be easily revised to encourage the retail vote by allowing for a proxy card and return envelope to accompany the initial notice mailing. Regulation of proxy advisors, such as Institutional Shareholder Services, would help to restore equilibrium and integrity to the proxy voting process. We believe that no action should be taken with respect to the current proposal until these considerations have been thoroughly analyzed and understood.

Sincerely,

Gregory A. Robbins  
Senior Vice President and General Counsel

Veeco Instruments Inc.  
Terminal Drive  
Plainview, NY 11803  
516-677-0200 x1034  
516-677-0380 (fax)  
grobbins@veeco.com

---

DISCLAIMER: Veeco.com

This email and any attachments are confidential, may be attorney-client privileged and are intended only for the use of the addressee. Unauthorized use, distribution or copying is forbidden and may be unlawful. If you have received this email in error, please notify the sender immediately by return email and delete all copies of this message and any attachments from your computer. Thank you.