



March 25, 2009

E-mail: rule-comments@sec.gov

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: **File Number SR-NYSE-2006-92, Rule 452, “Giving Proxies by Member Organizations”.**

Gentlemen:

Astoria Financial Corporation (“AF”, “the Company” or “we”) is pleased to have the opportunity to comment on the NYSE proposal to amend NYSE Rule 452 to eliminate broker discretionary voting for the election of directors. AF is a publicly-traded thrift holding company with a market capitalization of approximately \$586.0 million whose shares are listed on the New York Stock Exchange (NYSE: AF). AF’s primary banking subsidiary, Astoria Federal Savings and Loan Association, with assets of \$22.0 billion, is the largest thrift depository headquartered in New York with deposits of \$13.5 billion. The Company operates 85 retail banking offices in the metropolitan New York area. We also originate mortgage loans through our banking offices and loan production offices in New York, an extensive broker network covering eighteen states, located primarily along the East Coast, the District of Columbia and through correspondent relationships covering nineteen states and the District of Columbia.

AF is an advocate of strong corporate governance and respect for shareholders, which is reflected in its most recent Institutional Shareholder Services (“ISS”) Corporate Governance Quotient rating which ranks AF better than 95.3% of all banking companies and 72.8% of S&P 400 companies on corporate governance issues. Accordingly, we applaud the NYSE’s past leadership in matters of corporate governance and shareholder rights. We nonetheless, strongly disagree with the NYSE proposal to amend Rule 452 to eliminate broker discretionary voting for the election of directors since such action has the potential to: (i) degrade the efficiency of the existing proxy voting system; (ii) significantly increase the costs of uncontested elections with the increase in such costs

falling disproportionately on smaller issuers; and, (iii) increase the influence of special interest groups that are challenging an incumbent board relative to shareholders at large.

While AF agrees that directors play a critical role in the life of a corporation by virtue of the fact that they have authority over the fundamental issues of corporate governance, we believe that the NYSE proposal to make the uncontested election of directors a “non-routine matter” is an impractical reaction to a small number of activist shareholders as well as an increase in new types of proxy campaigns. It is important to note that relative to the number of public companies in the United States such campaigns are clearly the exception and not the norm.

Unfortunately, a substantial number of shareholders simply choose not to vote on either “routine” or “non-routine” matters. This is unlikely to change, regardless of how large-scale, well intentioned and proactive various investor outreach and education efforts may be. The overwhelming majority of issuers already stresses the importance of voting and clearly indicates that failure to vote will result in shares being voted in accordance with management recommendations. Shareholder lethargy has been and will continue to be a fact of life. It is misguided to place either the blame for, or solution to, this problem on issuers. Clearly, shareholders should be responsible for taking enough interest in the companies in which they invest to vote on the matters put before them in a timely fashion. There are approximately 15,000 public companies in the United States, each one of which must manage constantly escalating regulatory costs. These issuers should not bear the burden of developing a large-scale investor education effort that in all likelihood will prove to be minimally effective, nor should they have to absorb additional costs to solicit shareholder votes.

As the NYSE is well aware, for many public companies, broker voting remains the most efficient means to achieve a quorum for shareholder meetings. AF also believes that any amendment to Rule 452 that would degrade an already efficient system by discarding a mechanism that has functioned well for close to eighty years is misguided.

AF also believes that the proposal is particularly ill-timed given the recent trend of shareholder activists to demand and public companies to enact majority voting of directors and required proffering of resignations for holdover directors failing to receive a majority vote. The disruption caused by such an event should not be under appreciated. If it occurs due to legitimate and expressed shareholder dissatisfaction, that disruption is an acceptable consequence. It should not be the result of shareholder lethargy. The silence of a shareholder who maintains his investment is consistent with a satisfied shareholder supportive of the board of directors and management, not the opposite.

In summary Astoria Financial Corporation generally supports the NYSE’s leadership in matters of corporate governance and shareholder rights. We do not support amendments to Rule 452 that would make the uncontested election of directors a non-routine matter, nor do we support any amendment to Rule 452 that would: (i) degrade the efficiency of achieving a quorum for shareholder meetings; (ii) significantly increase the costs of uncontested elections with the increase in such costs falling disproportionately on smaller

issuers; or, (iii) reduce shareholder support of an incumbent board or management by eliminating broker voting.

AF appreciates the opportunity to comment on the issues outlined in Securities and Exchange Commission Release No. 34-59464 related to the NYSE recommendation to amend Rule 452, titled "*Giving Proxies by Member Organizations*".

Respectfully submitted,

Peter M. Finn
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Regulatory Affairs