UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-3010

DIVISION OF
CORPORATION FINANCE

February 5, 2009

John D. Buchanan
Senior Executive Vice President
General Counsel
Corporate Secretary
Regions Financial Corporation
1901 6th Avenue North
Harbert Plaza, 18th Floor
Birmingham, AL 35203

Re: Regions Financial Corporation
Incoming letter dated December 19, 2008

Dear Mr. Buchanan:

This is in response to your letters dated December 19, 2008 and January 15, 2009 concerning the shareholder proposal submitted to Regions Financial by the Sheet Metal Workers' National Pension Fund. We also have received a letter from the proponent dated January 12, 2009. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponent.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

Heather L. Maples
Senior Special Counsel

Enclosures

cc: Kenneth Colombo
Corporate Governance Advisor
Sheet Metal Workers' National Pension Fund
Edward F. Carlough Plaza
601 N. Fairfax Street, Suite 500
Alexandria, VA 22314

February 5, 2009

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Regions Financial Corporation
Incoming letter dated December 19, 2008

The proposal urges, given the company's participation in the Capital Purchase Program established under the Troubled Asset Relief Program, that the board and its compensation committee implement specified executive compensation reforms that impose limitations on senior executive compensation.

We are unable to concur in your view that Regions Financial may exclude the proposal under rule 14a-8(c). Accordingly, we do not believe that Regions Financial may omit the proposal from its proxy materials in reliance on rule 14a-8(c).

We are unable to concur in your view that Regions Financial may exclude the proposal under rule 14a-8(i)(3). Accordingly, we do not believe that Regions Financial may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(3).

We are unable to concur in your view that Regions Financial may exclude the proposal under rule 14a-8(i)(10). Accordingly, we do not believe that Regions Financial may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Jay Knight
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

John D. Buchanan
Senior Executive Vice President
General Counsel
Corporate Secretary

REGIONS

Securities Exchange Act of 1934/Rule 14a-8

January 15, 2009

Via email to shareholderproposals@sec.gov

Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Regions Financial Corporation — Omission of Shareholder Proposal Pursuant to Rule 14a-8

Ladies and Gentlemen:

On December 19, 2008, Regions Financial Corporation (the "Company") submitted a no-action request (the "No-Action Request") to give notice of its intention to omit the proposal, dated November 3, 2008 (the "Proposal") and the accompanying supporting statement (the "Supporting Statement"), submitted for inclusion in the Company's proxy materials for its 2009 annual meeting of stockholders by Kenneth Colombo, on behalf of the Sheet Metal Workers' National Pension Fund (the "Proponent").

On January 12, 2009, the Proponent submitted its reasons why it believes the Company failed to satisfy its burden of demonstrating that the Proposal may be excluded (the "Response Letter"). The Company received the Proponent's Response Letter on January 13, 2009. After reviewing the Response Letter, we continue to believe the arguments in our No-Action Request should prevail, which is certainly consistent with the no-action relief recently granted to SunTrust Banks, Inc. ("SunTrust") on a very similar proposal. *SunTrust Banks, Inc.*, SEC No-Action Letter (Dec. 31, 2008). It should be noted that the Proponent has completely ignored the guidance provided in SunTrust.

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In *SunTrust*, the staff of the Division of Corporation Finance (the "Staff") concurred with SunTrust that a proposal asking for a list of executive compensation reforms in connection with SunTrust's participation in the Capital Purchase Program pursuant to the Troubled Asset Relief Program ("TARP") of the Emergency Economic Stabilization Act of 2008 (the "Stabilization Act") could be properly excluded as vague and indefinite because the proposal appears to impose "no limitation on the duration of the specified reforms."

Similarly, in the Company's No-Action Request, the Company cited the Proponent's failure to express a timeframe for how long the various requests, if implemented, would remain in place. The Company pointed out the interpretative difficulties this omission causes. In the absence of a statement that these limits would be temporary, the most plausible interpretation is to assume the Proposal's limits apply indefinitely. On the other hand, since the Proposal is tied to the Company's participation in TARP, the Proponent's silence may mislead the Company's shareholders to believe the reforms would only remain in place for so long as the Company participates in TARP, which is the Stabilization Act's standard. Rather than address this ambiguity, the Proponent sets forth a third possible interpretation in the Response Letter, which is that the Proponent intended for the board of directors to "exercise its discretion to determine their duration." Because the Proponent has tied its compensation reforms to participation in TARP, whether these reforms continue after the Company is no longer participating in TARP is material to shareholders voting on the proposal. Without disclosure of the duration, shareholders will not be certain of what they are voting for, and the board of directors will not be certain of what it may be required to implement.

The Proponent, furthermore, disputes that the duration element is material. The Proponent claims that, unlike the proposal in *Verizon Communications Inc.*, SEC No-Action Letter (Feb. 21, 2008), where "the relevant time period was a key criteria" and where the proposal "injected the duration issue" explicitly, the Proponent's omission of the time period element was not material because its Proposal "contain[ed] no mention of timeframes" and "ha[d] no obligation to do so." In *SunTrust*, the Staff expressly discredited this distinction, finding that the omission of the duration element from the four corners of the proposal met the burden of warranting exclusion.

Even though the *SunTrust* letter was publicly available, the Proponent failed to address it in any way in the Response Letter. This omission is particularly surprising given that the Proposal suffers from the same deficiency as the proposal in *SunTrust* – a failure to express a timeframe for how long the various requests would remain in place. Since SunTrust and the Company have made such similar arguments in the context of proposals with the same deficiency, the Company respectfully requests that the Staff similarly concur that the Company may exclude the Proposal and the Supporting Statement as materially misleading on account of being vague and indefinite in violation of Rule 14a-9, justifying exclusion under 14a-8(i)(3).

Pursuant to *Staff Legal Bulletin No. 14D* (November 7, 2008), we are submitting this letter, which is correspondence related to rule 14a-8, as an attachment to our email to shareholderproposals@sec.gov.

If you have any questions regarding this correspondence or need additional information, please do not hesitate to telephone the undersigned at (205) 326-5319.

Yours truly,

John Buchanan

John D. Buchanan
Senior Executive Vice President, General Counsel and Corporate Secretary

(Enclosures)

cc: Kenneth Colombo
Craig Rosenberg

SHEET METAL WORKERS' NATIONAL PENSION FUND

RECEIVED
2009 JAN 13 PM 3:43
OFFICE OF CHIEF COUNSEL
CORPORATION FINANCE

January 12, 2009

U.S. Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Regions Financial Corporation's No-action Request Regarding Shareholder Proposal Submitted by the Sheet Metal Workers' National Pension Fund

Dear Sir or Madam:

The Sheet Metal Workers' National Pension Fund (the "Fund") hereby submits this letter in reply to Regions Financial Corporation's ("Regions" or "Company") Request for No-Action Advice to the Security and Exchange Commission's Division of Corporation Finance ("Staff") concerning the Fund's Executive Compensation Reforms proposal ("Proposal") and supporting statement submitted to the Company for inclusion in its 2009 proxy materials. The Fund respectfully submits that the Company has failed to satisfy its burden of persuasion and should not be granted permission to exclude the Proposal. Pursuant to Rule 14a-8(k), six paper copies of the Fund's response are hereby included and a copy has been provided to the Company.

The Proposal urges the Board of Directors and its compensation committee to implement a recommended set of reforms that imposes important limitations on senior executive compensation given Regions' decision to participate in the Troubled Asset Relief Program ("TARP") established by the Economic Emergency Stabilization Act ("EESA").

Regions contends that it is entitled to exclude the Proposal in reliance on Rules 14a-9 and 14a-8(i)(3), 14a-8(i)(10), and 14a-8(c).

It is well-established that shareholder proposals concerning the executive compensation of senior executives are appropriate for inclusion in proxy materials and the Company should not be permitted to exclude the Proposal from its 2009 proxy materials.

I. The Proposal Is Neither False Nor Misleading and the Company Should Not Be Permitted to Exclude it Pursuant to Rules 14a-9 and 14a-8(i)(3)

Relying on Rule 14a-8(i)(3) and Rule 14a-9, the Company contends that the Proposal contains statements that are misleading on account of being vague and indefinite and that the

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Supporting Statement contains a statement that impugns the Company's character and reputation without factual basis.

The Company faces a very high burden when it seeks to exclude the Proposal as false and misleading—a burden the Company fails to meet.

A. The Proposal is Neither Vague Nor Indefinite

The Company seeks permission to exclude the Proposal by arguing that it is vague and indefinite. The standard to apply in determining whether the Company has met its burden is, as the Company notes:

> The Staff has interpreted Rule 14a-8(i)(3) and Rule 14a-9 to mean that vague and indefinite stockholder proposals may be omitted from a company's proxy materials if 'neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires. *Staff Legal Bulletin 14B (Sept. 15, 2004)*

The Company cites *Fuqua Industries, Inc.* (Mar. 12, 1991) for the proposition that a proposal is sufficiently vague and indefinite to be omitted when "a company and its stockholders could interpret the proposal differently, such that 'any action ultimately taken by the company upon implementation of the proposal could be significantly different from the actions envisioned by the stockholders voting on the proposal.'" As we discuss below, the Proposal at issue in the instant case could not reasonably be argued to yield such ambiguous or contradictory interpretations.

The Company cites a number of cases but primarily seems to rely on *Verizon Communications Inc.* (Feb. 21, 2008). In *Verizon* the Company argued that an executive compensation proposal could be omitted on the basis of being vague and indefinite "where key criteria relating to future awards of short and long term incentive compensation were undefined and the proposal lacked guidance as to how it would be implemented." Specifically, Verizon contended that the proponent's failure to define "industry peer group" and "relevant time period" rendered the proposal vague or indefinite.

The Staff advised the Company that there was some basis for its view that it could omit the proposal under Rule 14a-8(i)(3). The Staff did not specify which, or whether both, of the phrases were vague or indefinite justifying no-action relief, but we note that there is significant precedent that the term "peer group" is neither vague nor indefinite. <u>See, e.g.,</u> *The Kroger Co.* (Mar.18, 2008) in which the Company made exactly this argument and it was rejected by the Staff. In *Kroger* the Company argued:

> The Proposal is extremely vague. The language of the Proposal that discusses Kroger's incentive plans is so inherently vague and indefinite that neither the shareholders voting on the Proposal or Kroger in implementing the Proposal, if it is adopted, would be able to determine what actions are required. The Proposal uses

> phrases such as "financial performance metrics," "Company's **peer** companies," and "exceeds **peer group** median performance" without explaining what is meant by these terms. These terms are open to numerous interpretations. Without guidance as to what metrics Kroger could use for financial performance criteria and what characteristics Kroger could use to define the **peer group,** Kroger and its shareholders may have vastly different interpretations of the Proposal and its implementation.

The Staff rejected the Company's 14a-8(i)(3) argument, thereby demonstrating that the term "peer group" requires no definition and is neither vague nor indefinite. For this reason we believe it is reasonable to infer that the basis of the Staff's decision in *Verizon* centered on the proponent's failure to define "relevant time period," not "peer group" and our discussion will focus on this issue.

The proposal in *Verizon* requested that the board of directors adopt an executive compensation policy

> which would incorporate the following criteria for future awards of short and long term incentive compensation:
>
> . . . .
>
> (2) that no award of long term incentive compensation shall be made or paid unless the Company's Total Shareholder Return ('TSR'), defined as change in share plus dividends reinvested, exceeds the mean or median TSR of the Industry Peer Group selected for the relevant period of time; and
>
> (3) that all long term incentive awards shall be computed as a percentage of the maximum target award, with the percentage determined by dividing the mean or median TSR of the Company for the relevant period of time.

In seeking relief the Company noted:

> [T]he particular time period chosen for measuring the Company's TSR can significantly affect the mean or median TSR used as a benchmark. While shareholders voting on the proposal could reasonably assume that the 'relevant period of time' should be one year, the Board could just as reasonably assume that it should be three years, five years or some other period, leading to very different results. Like the selection of companies to be included in a benchmark, the 'relevant time period' is a critical component and would also be considered material information under Item 402(b)(2) of regulation S-K.

Thus, in *Verizon* the relevant time period was a key criteria of the proposal. Contrast that with the Proposal in the instant case, which as the Company notes contains no mention of timeframes. The Company is correct that "the Proposal failed to express a timeframe for how long the various requests, if implemented, would remain in place." However, the Company incorrectly believes that this satisfies its burden of proving that this somehow renders the Proposal so vague or indefinite that shareholders could not tell what they were voting on or that the Company could not determine what was being requested.

Our Fund's proposal seeks a number of reforms that are clearly stated, easy to understand, and would create no confusion for either the Company or shareholders voting on them. It is neither surprising nor grounds for omission that the Proposal does not specify time periods. Neither have innumerable shareholder proposals requesting that companies expense their stock options, reform their executive compensation by establishing pay-for-superior performance, declassify their boards of directors, etc. Unlike the proposal in *Verizon*, which injected the duration issue by containing the key phrase "relevant time period," our Proposal does not address the issue and has no obligation to do so. If the Fund's precatory proposal passes and the board chooses to implement the requested reforms, it will exercise its discretion to determine their duration, just as it would have to do were it to implement any other reform requested by shareholders.

B. The Proposal Does Not Impugn the Company's Character and Reputation

The Company claims also that "[i]n the Proponent's Supporting Statement, the Proponent impugns the Company's character and reputation without factual basis." The statement to which the Company refers is contained in the introductory paragraph of the Proposal's Supporting Statement and states as follows:

> Many Company shareholders are experiencing serious financial losses related to the problems afflicting our nation's credit markets and economy. The Company's financial and stock price performance has been challenged by these credit market events and their impact on the nation's economy. The Company's participation in the Stabilization Act's TARP is the result of these broad capital market problems and decisions made by senior executives.

Each statement in this paragraph contains a factual basis and cannot reasonably be considered disparaging. Sentence 1 cannot be questioned given what is occurring today to the country's credit markets and economy. As for the second sentence, as of January 8, 2009, Regions' stock price is down over 60% from one year earlier. The Company, like virtually all companies, faces huge financial and stock price challenges, a fact noted in this second sentence.

The third sentence, which allegedly "impugns the Company's character and reputation," does no such thing, but rather first notes that there are broad capital market problems, which clearly does not reflect on the Company. As for the second part of the sentence, which notes that senior executives made decisions that resulted in the Company's participation in the TARP, that is a fact. The Company may presume negative inferences, but none are present. The fact is that the Company chose to participate in the TARP and we cannot imagine how this statement of fact could be held to "impugn" the Company or its managers' character and reputation.

In Staff Legal Bulletin No. 14B, the Staff clarified its views with regard to the application of Rule 14a-8(i)(3). The Staff noted:

> In this regard, rule 14a-8(i)(3) permits the company to exclude a proposal or a statement that is contrary to any of the proxy rules, including rule 14a-9, which prohibits materially false or misleading statements. Further, rule 14a-8(g) makes clear that the company bears the burden of demonstrating that a proposal or statement may be excluded. As such, the staff will concur in the company's reliance on rule 14a-8(i)(3) to exclude or modify a proposal or statement only where that company has demonstrated objectively that the proposal or statement is materially false or misleading.

The Company has not met its burden to justify its request to exclude the Proposal. To the extent it disagrees with the statements contained in the Supporting Statement, its recourse is clear. As the Staff noted in Legal Bulletin No. 14B:

> Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(i)(3) in the following circumstances:
>
> > the company objects to factual assertions because they are not supported;
> >
> > the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
> >
> > the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or,
> >
> > the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.
>
> We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

Thus, the remedy for the Company is to address its objections in its statement of opposition, not given permission to exclude the Proposal.

II. The Proposal Does Not Contain Multiple Proposals and the Company Fails to Satisfy Its Burden of Persuasion Under Rule 14a-8(c)

The Company also argues that the Proposal contains multiple proposals in violation of Rule

14a-8(c). The basis for this argument is that components of the Proposal have appeared as separate proposals in the past at some companies and that the Proposal relates to disparate aspects of executive compensation.

A single proposal made up of several separate components does not constitute more than one proposal if the components "are closely related and essential to a single-well defined unifying concept." *AT&T Wireless Services, Inc.* (avail. Feb. 11, 2004)

In *AT&T Wireless Services, Inc.*, a proposal was submitted requesting the board to replace its system of compensation for senior executives with a "Commonsense Executive Compensation" program. That proposal's resolution provided:

> Resolved, that the shareholders of AT&T Wireless Services Inc. ("Company") request that the Company's Board of Directors and its Executive Compensation Committee replace the current system of compensation for senior executives with the following "Commonsense Executive Compensation" program including the following features:
>
> (1) Salary - The chief executive officer's salary should be targeted at the mean of salaries paid at peer group companies, not to exceed $ 1,000,000 annually. No senior executive should be paid more than the CEO.
>
> (2) Annual Bonus - The annual bonus paid to senior executives should be based on well-defined quantitative (financial) and qualitative (non-financial) performance measures. The maximum level of annual bonus should be a percentage of the executive's salary level, capped at 100% of salary.
>
> (3) Long-Term Equity Compensation - Long-term equity compensation to senior executives should be in the form of restricted shares, not stock options. The restricted share program should utilize justifiable performance criteria and challenging performance benchmarks. It should contain a vesting requirement of at least three years. Executives should be required to hold all shares awarded under the program for the duration of their employment. The value of the restricted share grant should not exceed $1,000,000 on the date of grant.
>
> (4) Severance - The maximum severance payment to a senior executive should be no more than one year's salary and bonus.
>
> (5) Disclosure - Key components of the executive compensation plan should be outlined in the Compensation Committee's report to shareholders, with variances from the Commonsense program explained in detail.
>
> The Commonsense compensation program should be implemented in a manner that does not violate any existing employment agreement or equity compensation plans.

Like the Proposal submitted by the Fund, the "Commonsense" Proposal had multiple components and the company sought to exclude it under Rule 14a-8(c). The company failed in that case, as Regions should here. The proponent noted in *AT&T Wireless Services, Inc.*:

> As the Company acknowledges, our Proposal relates to senior executive compensation. It focuses on all aspects of such compensation, including salary, bonus, long-term equity compensation, severance, and disclosure. That certain compensation is triggered by the severance of employment in no way renders severance payments to senior executives as a distinct topic. Shareholders are concerned about all aspects of senior executive compensation and our Proposal properly addresses several different aspects, including severance.

In support of its request, the Company relies on Fotoball, Inc. (May 6, 1997) and states: "The Proponent has attempted to combine limitations on executive compensation with unrelated concepts. As in *Fotoball*, the Proponent included within its seven requests such concepts as an executive hold requirement and a limitation on the form of executive compensation." However, reviewing *Fotoball* allows one to see that it is equally distinguished and does not provide relevant precedent in the instant case.

In granting the company's request for no-action relief, the Staff observed:

> The proposal has three parts. The first part recommends that all persons elected or appointed to the board beneficially own at least 10,000 shares of the Company's stock excluding shares received for service as a director and shares purchased pursuant to options or warrants. The second part recommends that all directors be paid in the form of common stock or options. The third part recommends that non-employee directors should perform no other services for the Company for compensation.
>
> There appears to be some basis for your view that the proponent has exceeded the one proposal limitation set forth in rule 14a-8(a)(4).

So the company was allowed to exclude a proposal that contained provisions unrelated to each other. The Fund's Proposal relates to the reform of senior executive compensation and provides a set of complementary executive compensation changes. The proposed reforms are closely related and essential to the unified concept of senior executive compensation reform. For these reasons, the Company has failed to satisfy its burden under Rule 14a-8(c) and its request should be denied.

III. Regions Has Not Substantially Implemented the Proposal

Finally, the Company argues that the Proposal "will already be substantially implemented prior to the Company mailing its definitive Proxy Materials" because its senior executive officers entered into letter agreements with the Company, a blank copy of which it appends as Annex C to its no-action request.

Regions argues that it should be allowed to omit the Proposal because these letter agreements contained, as required by Treasury's TARP Capital Purchase Program ("CPP"), provisions prohibiting golden parachute payments and providing for "clawback" provisions. These provisions, in the Company's words, "substantially address the spirit of the Proponent's goals." However, that is not the standard for the Company to meet and its request for relief should be denied.

In order to demonstrate that a proposal has been substantially implemented, the Company bears the burden of demonstrating that the company's "particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (Mar. 28, 1991). The Company must prove it has satisfactorily addressed the essential objective of the proposal, a burden Regions fails to meet.

Regions fails to address the essential objective of the Proposal, which is a comprehensive set of reforms that imposes significant limitations on senior executive compensation. The Proposal seeks adoption of a completely different executive compensation philosophy than the one employed by the Company—one that requires long-term compensation be performance-vested using clearly defined metrics and performance requirements and that does away with or severely limits supplemental pension benefits and golden parachutes. At its heart, the Proposal seeks to reform the Company's long-term equity compensation while limiting windfalls to senior executives that may take the form of change-of-control payments, accelerated vesting of benefits, or supplemental pension benefits.

In *The Kroger Co.,* (March 18, 2008) the proposal requested that the company adopt a pay-for-superior performance principle by adopting an executive compensation system that would include setting pay targets below peer group median; delivering a majority of long-term compensation through performance-vested equity awards; and, providing the strategic rationale for the performance metrics, among other features. The Company failed in its 14a-8(i)(10) argument that it had substantially implemented the proposal after arguing, as Regions does in the instant case, that by satisfying parts of certain elements of the proposal it demonstrated substantial implementation. As in *The Kroger Co.*, the Fund's Proposal is focused on creating a new and more stringent standard of corporate performance.

Regions attempt to select a few elements of the requested reforms but does not satisfy its burden of demonstrating substantial compliance. The Company notes that the letter agreements contain a prohibition on the Company making any "golden parachute payment" to a senior executive during the period that the Treasury Secretary holds an equity or debt position in the Company. The letter agreement proceeds to state that "golden parachute payment is used with the same meaning as in subsection 111(b)(2)(C) of EESA." The section 111(b)(2)(C) of EESA definition of "golden parachute" is as follows:

> As provided under section 280G(e) of the Internal Revenue Code, a 'golden parachute' means any payment in the nature of compensation to (or for the benefit of) a SEO ["named executive officer"] made on account of an applicable severance from employment to the extent the aggregate present value of such payments equals or exceeds an amount equal to three times the SEO's base amount. The term 'base

> amount' for a SEP has the meaning set forth in 280G(b)(3) of the Internal Revenue Code and section 1.280G-1, Q&A-34 of the Treasury Regulations. . . Notice 2008-TAAP (*www.ustreas.gov/initiatives/eesa/docs)*

This argument must fail for clearly three times the senior executive's "base amount" as provided for in the letter agreement mandated by EESA does not substantially implement the Proposal's limitation, which calls for "[a] limit on all senior executive severance payments to an amount no greater than ***one times*** the executive's annual salary." Nor does "base amount" equate to annual salary. In no sense does this provision substantially implement the Proposal.[1]

The next limitation sought by the Proposal is that a majority of long-term compensation be awarded in the form of performance-vested equity instruments that use clearly-defined metrics and rigorous performance targets. This is a core request of the Proposal as it goes to establishing a truly performance-based executive compensation system. The Company notes that it offers time-vested restricted stock and stock options, but those in no way constitute performance-vested equity instruments. Long-term compensation is the largest part of senior executive compensation. The essential objective of the Proposal is to require that a majority of long-term compensation be tied to rigorous performance targets on clearly-defined metrics. The Company completely fails to demonstrate it has implemented this, and indeed it has not.

Integral to the reform of equity-based compensation is the equity retention requirement that at least 75 percent of shares obtained through the exercise of options or the award of restricted shares be held for the senior executives' full term of employment. The Company's proffered one-year requirement, on its face, does not satisfy any notion of substantial compliance. This reform is key as it seeks to incentivize executives to take actions focused on the long-term health and growth of the Company rather than driving short-term stock prices.

The next component of the reform of equity-based senior executive compensation is the prohibition on vesting acceleration for all unvested stock options or share awards held by senior executives. The Company has no such prohibition. The fact that it has not accelerated vesting in three years has no bearing on the permissibility of accelerated vesting, which is integral to the Proposal.

The Company also has not implemented a freeze on contributions to any supplemental executive retirement plan for the benefit of senior executives. Nor does the Company claim that it has implemented the Proposal's call for a minimum vesting requirement on all new option and share awards of five-year cliff vesting,

The essential objective of the Proposal – the overhauling of its long-term equity based compensation while prohibiting benefits that could be obtained through change-of-control

[1] Nor does the letter agreement containing a clawback provision in any sense satisfy the essential objective of the Proposal or constitute substantial implementation.

payments, acceleration of awards, or supplemental pension benefits – has not been implemented, and thus the Company fails to prove it has substantially implemented the Proposal.

V. Conclusion

For the foregoing reasons, the Proponent respectfully submits that the Company has failed to satisfy its burden of persuasion and should be denied its request to be allowed to exclude the Proposal.

Sincerely,

Kenneth Colombo
Corporate Governance Advisor

Cc: John D. Buchanan, Esq.
Craig Rosenberg

John D. Buchanan
Senior Executive Vice President
General Counsel
Corporate Secretary

REGIONS

Securities Exchange Act of 1934/Rule 14a-8

December 19, 2008

Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Regions Financial Corporation — Omission of Shareholder Proposal Pursuant to Rule 14a-8

Ladies and Gentlemen:

This letter is submitted by Regions Financial Corporation (the "Company") pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to a proposal submitted for inclusion in the Company's proxy materials (the "Proxy Materials") for its 2009 annual meeting of stockholders by Kenneth Colombo, on behalf of the Sheet Metal Workers' National Pension Fund (the "Proponent"). The proposal (the "Proposal") and the accompanying supporting statement (the "Supporting Statement") are attached to this letter as Annex A.

The Company believes that the Proposal may be omitted from the Proxy Materials because: (a) the Proposal contains multiple shareholder proposals in violation of Rule 14a-8(c) and this defect was not cured after notice to the Proponent pursuant to Rule 14a-8(f); (b) the Proposal contains materially false and misleading statements in violation of Rule 14a-9 and Rule 14a-8(i)(3); and (c) the Company will have substantially implemented the Proposal prior to the filing of its definitive Proxy Materials, as provided in Rule 14a-8(i)(10).

In accordance with Rule 14a-8(j) under the Exchange Act, the Company hereby gives notice of its intention to omit the Proposal and Supporting Statement from the Proxy Materials and hereby respectfully requests that the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") indicate that it will not recommend enforcement action to the Commission if the Company omits the Proposal and Supporting Statement from the

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Fax (205) 581.7629

Proxy Materials.

This letter constitutes the Company's statement of the reasons why it deems this omission to be proper. Pursuant to Staff Legal Bulletin No. 14D (November 7, 2008), we are submitting this letter, including the Proposal, Supporting Statement and other annexes, as an attachment to our email to shareholderproposals@sec.gov. We have been advised by the Office of the Chief Counsel in the Division of Corporation Finance that filing six paper copies pursuant to Rule 14a-8(j) is not necessary when submitting requests for no-action relief by email.

The Proposal

The Proposal reads:

Resolved: Given that Regions Financial Corporation ("Company") is a participant in the Capital Purchase Program established under the Troubled Asset Relief Program ("TARP") of the Economic Emergency Stabilization Act of 2008 ("Stabilization Act") and has received an infusion of capital from the U.S. Treasury, Company shareholders urge the Board of Directors and its compensation committee to implement the following set of executive compensation reforms that impose important limitations on senior executive compensation:

- A limit on senior executive target annual incentive compensation (bonus) to an amount no greater than one times the executive's annual salary;

- A requirement that a majority of long-term compensation be awarded in the form of performance-vested equity instruments, such as performance shares or performance-vested restricted shares.

- A freeze on new stock option awards to senior executives, unless the options are indexed to peer group performance so that relative, not absolute, future stock price improvements are rewarded;

- A strong equity retention requirement mandating that senior executives hold for the full term of their employment at least 75% of the shares of stock obtained through equity awards;

- A prohibition on accelerated vesting for all unvested equity awards held by senior executives.

- A limit on all senior executive severance payments to an amount no greater than one times the executive's annual salary; and

- A freeze on senior executives' accrual of retirement benefits under any supplemental executive retirement plan (SERP) maintained by the Company for the benefit of senior executives.

Grounds for Omission

(a) The Proposal contains multiple shareholder proposals in violation of rule 14a-8(c)

Rule 14a-8(c) states that "[e]ach shareholder may submit no more than one proposal to a company for a particular shareholder's meeting." If a shareholder provides more than one proposal, the shareholder may reduce the number of items submitted within 14 days of such notification from the company, as provided in Rule 14a-8(f). The Company sent the Proponent a deficiency letter within the proper statutory time period in the form attached hereto as Annex B (the "Deficiency Letter") informing the Proponent of the potential deficiency and permitting the Proponent to remedy such deficiency. The Proponent failed to cure this deficiency within the statutory time period.

The Staff has concurred that a company may omit multiple proposals, even if couched as a single proposal. *See, e.g., Torotel*, SEC No-Action Letter (Nov. 1, 2006). The Staff, however, has in certain limited situations, taken the view that multi-part proposals could be viewed as a single proposal if such proposals relate to only a single concept. One of the categories of "single concepts" that has been recognized concerns limitations on executive compensation. *See, e.g., Westinghouse,* SEC No-Action Letter (Jan. 27, 1995), and *Ferrofluidics,* SEC No-Action Letter (Sept. 18, 1992).

Nevertheless, the Staff has concurred that multiple proposals couched as a single proposal may be omitted where a *limitation* on executive compensation has been melded with others concepts. *See, e.g., Fotoball,* SEC No-Action Letter (May 06, 1997). In *Fotoball,* the Staff agreed that the one-proposal rule was violated where two proposals, one dealing with a director hold requirement and the other dealing with a form of director compensation, were melded together. Similarly, in *Westinghouse*, the Staff acknowledged that three elements of an initial proposal, not relating specifically to limitations on executive compensation, made the initial proposal deficient and, had the proponent not timely cured, omission would have been permissible.

The Proponent has attempted to combine limitations on executive compensation with unrelated concepts. As in *Fotoball*, the Proponent included within its seven requests such concepts as an executive hold requirement and a limitation on the form of executive compensation. Mixing such limitations on execution compensation with concepts like hold requirements and form-of-compensation requirements exceed the scope of the "single concept" exception that the Staff has recognized.

Further evidence of the separateness of these proposals is the fact that many of them have been the frequent subject of individual shareholder proposals. For example, data from the RiskMetrics Group website (http://www.riskmetrics.com) shows the following: proposals requiring a majority of long-term compensation to be awarded in the form of performance-vested equity instruments have been brought before shareholders at the annual meetings of at least four different Fortune 100 companies in the past proxy season (*See* the 2008 proxy statements of Cardinal Health, Inc., UnitedHealth Group Incorporated, General Motors Corp. and the Boeing Co. as filed at various times with the Commission and available at http://www.sec.gov); proposals mandating a freeze on new stock option awards to senior executives have been brought before shareholders at the annual meetings of at least five different Fortune 100 companies in the past proxy season (*See* the 2008 proxy statements of Ford Motor Company, Verizon Communications, Pfizer Inc., Bank of America Corp. and the Goldman Sachs Group, Inc. as filed at various times with the Commission and available at http://www.sec.gov); proposals mandating an equity retention requirement for senior executives have been brought before shareholders at the annual meetings of at least six different Fortunte 500 companies in the past two proxy seasons (*See* the 2007 proxy statements of Dell Inc., Danaher Corp., Apple, Inc., Boston Scientific Corp., Citigroup Inc. and KB Home as filed at various times with the Commission and available at http://www.sec.gov); and proposals limiting benefits provided under supplemental executive retirement plans have been brought before shareholders at the annual meetings of at least three different Fortune 500 companies in the past proxy season (*See* the 2008 proxy statements of Raytheon Co, AT&T Inc. and the Black & Decker Corp., as filed at various times with the Commission and available at http://www.sec.gov). Additionally, the RiskMetrics Group website indicates that many more of these types of proposals were made over the last three years to companies of all sizes. As the above examples illustrate, proposals that are often brought individually have, in this case, been bundled together.

Furthermore, unlike the proponent in *Westinghouse*, the Proponent failed to cure this deficiency within the statutory time period after receiving the Deficiency Letter. Because the Proponent has failed to cure and because the Company believes that the Proposal contains multiple proposals that do not relate to only one single concept, the Company requests that the Staff concur in its view that all seven requests may be omitted from the Proxy Materials.

Furthermore, we ask the Staff to consider the implications of deeming a proposal with seven different requests to be just one. To make an analogy to a bicycle wheel, a multi-part proposal should only be viewed as spokes on the same hub where there is a seamless interconnection to allow the wheel to turn. Here, disparate aspects of execution compensation, such as retention of executives, form of compensation and post-termination compensation, are presented not as an assembled and functional wheel, but as its disassembled parts. Further, there is no direction for how or whether these parts fit together. Since this presentation makes the Proposal's interconnectedness hard to envision, stockholders will be left with a box of parts and a headache. Accordingly, they will not be able to make the reasoned and measured decision on each of the Proposal's elements that is necessary to intelligently vote in the Company's best interests and instead will be forced to decide on the effectiveness of this package on a take-it-or-leave-it basis. This cramdown has the potential to frustrate and confuse stockholders, for example, how should a stockholder vote if he or she supports three of the elements of the Proposal, disagrees with another three of the elements and is ambivalent about the seventh?

(b) The Proposal contains materially false and misleading statements in violation of Rule 14a-9

Rule 14a-8(i)(3) provides that a company may omit a stockholder proposal from its proxy materials if "the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy materials." As described below, (i) the Supporting Statement contains a material statement that inaccurately impugns the Company's character and reputation without factual basis and (ii) the Proposal contains statements that are misleading on account of being vague and indefinite.

(i) Impugns Character and Reputation

The Supporting Statement contains a material statement that inaccurately impugns the Company's character and reputation without factual basis. According to Note (b) to Rule 14a-9, a statement that impugns character or reputation without factual foundation is misleading within the meaning of the rule. In the Proponent's Supporting Statement, the Proponent impugns the Company's character and reputation by inaccurately tying the Company's participation in the TARP Capital Purchase Program (the "CPP") to the broad problems in the capital markets and the decisions made by the Company's senior executives. As Secretary of the Treasury Paulson (the "Treasury Secretary") stated, "[w]hile many banks have suffered significant losses during this period of market turmoil, many others have plenty of capital to get through this period… This [Capital Purchase] program is designed to attract broad participation by healthy institutions and to do so in a way that attracts private capital to them as well." *Statement by the Secretary Henry M. Paulson, Jr. on Capital Purchase Program*, available at http://www.ustreas.gov/press/releases/hp1223.htm (October 20, 2008). Prior to the capital infusion, the Company was (and still is) well above the level required for the highest capital designation, "well capitalized", as is evidenced by its September 30, 2008 Tier 1 Capital and Total Capital ratios of 7.47% and 11.70%, respectively. *See Quarterly Report on Form 10-Q of Regions Financial Corporation for the quarter ended September 30, 2008*, available at http://www.sec.gov (filed October 30, 2008). We believe the Treasury Secretary made the above statements in order to mitigate the potential serious, adverse effects of rumor-mongering and the potential stigma which participation in the CPP might otherwise have brought to participating institutions. The Treasury Secretary's words demonstrate the materiality of such statements. The Company, moreover, has been clear that it participated in the CPP as a healthy financial institution seeking to strengthen its capital base in order to expand lending and to generally restore "the flow of funds to consumers and businesses, both large and small, who are at the core of our economy." *See Exhibit to Form 8-K entitled, Regions Selected to Participate in U.S. Treasury Capital Purchase Program*, available at http://www.sec.gov (filed October 27, 2008). Accordingly, since the CPP was intended for healthy institutions, we believe that an assertion by the Proponent tying the Company's participation in the CPP to an implication that the Company has made bad decisions and is in poor financial health is both material and misleading because it inaccurately impugns the Company's character and reputation without factual basis in violation of 14a-9.

(ii) Vague and Indefinite

The Proposal, furthermore, contains statements that are misleading on account of being vague and indefinite. The Staff has interpreted Rule 14a-8(i)(3) and Rule 14a-9 to mean that vague and indefinite stockholder proposals may be omitted from a company's proxy materials if "neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." *Staff Legal Bulletin 14B* (Sept. 15, 2004).

A proposal is sufficiently vague and indefinite to be omitted from a company's proxy materials where a company and its stockholders could interpret the proposal differently, such that "any action ultimately taken by the company upon implementation of the proposal could be significantly different from the actions envisioned by the stockholders voting on the proposal." *Fuqua Industries, Inc.* SEC No-Action Letter (Mar. 12, 1991). In executive compensation cases, the Staff has regularly concurred with the exclusion of shareholder proposals concerning executive compensation under Rule 14a-8(i)(3) where aspects of the proposals created ambiguities that resulted in the proposals being vague or indefinite. In particular, the Staff has allowed the exclusion of proposals relating to executive compensation that failed to define key terms or otherwise provide guidance on how the proposal would be implemented. *See, e.g., Verizon Communications Inc.*, SEC No-Action Letter (Feb. 21, 2008); *Prudential Financial, Inc.,* SEC No-Action Letter (Feb. 16, 2007); *Eastman Kodak Company,* SEC No-Action Letter (March 3, 2003); *Pfizer Inc.* SEC No-Action Letter (Feb. 13, 2003); *General Electric Co,* SEC No-Action Letter (Feb. 5, 2003); and *General Electric Co.*, SEC No-Action Letter (Jan. 23, 2003).

In *Verizon*, for example, the Staff concurred that Verizon could exclude a proposal on the basis of it being vague and indefinite where key criteria relating to future awards of short and long term incentive compensation were undefined and the proposal lacked guidance as to how it would be implemented. Verizon argued that the failure to define "Industry Peer Group" and "relevant time period" made the proposal ambiguous and uncertain. Further, that shareholders would not be able to adequately evaluate the relative merits of a comparison based on "Industry Peer Group" without knowing what benchmark would actually be used. They also argued that "relevant time period" is similarly a critical component that must be defined in order to prevent unintended results.

Like the proposal in *Verizon*, the Proposal failed to define "peer group" in the context of the following request: "[a] freeze on new stock option awards to senior executives, unless the options are indexed to peer group performance so that relative, not absolute, future stock price improvements are rewarded." It would be reasonable for the Company to determine that this peer group benchmark be comprised of other companies in the same industry with whom the Company directly competes for customers and revenue, companies with whom the Company competes for executive talent, companies with whom the Company competes for equity or other capital reflecting comparable financial characteristics or companies that have similar business complexity. Since this term is susceptible to various interpretations, neither the stockholders in voting nor the Company in implementing (if adopted) are given proper guidance as to which definition should control. As *Verizon* illustrates, the choice of definition can have a significant impact on the size of the award and such definition is viewed by the Commission as material to the evaluation of an executive compensation program. *See Item 402(b)(2)(xiv) of Regulation S-K*, where the Commission labels the following to be material: "…benchmarking of total compensation, or any material element of compensation, identifying the benchmark and, if applicable, its components (including component companies)." Accordingly, not defining "peer group" is a material omission and makes the Proposal impermissibly vague.

Additionally, the Proposal failed to express a timeframe for how long the various requests, if implemented, would remain in place. Since there is no statement that these limits will be temporary, the most plausible reading would be to draw a negative inference that the Proposal is meant to apply indefinitely. A less plausible, but also reasonable interpretation, in light of the explicit pronouncement in the Economic Emergency Stabilization Act of 2008 (the "Stabilization Act") and the tying of the Proposal to the Company's participation in the CPP, would be to conclude that the Proponent meant to match the Stabilization Act's time-limit, which is, "for the duration of the period that the Secretary holds an equity or debt position in the financial institution." *Subsection 111(b)(1) of the Stabilization Act*. Either interpretation raises serious issues. The problem with the former interpretation is that it is, by definition, "indefinite" in violation of rule 14a-9. Moreover, it raises other problems, such as violation of state law, by tying the hands of the compensation committee and interfering with their ability to exercise their fiduciary duties in directing future compensation policy. The problem with the latter interpretation is that it does not appear in the four corners of the Proposal and, though reasonable, may not be what the Proposal requires. As *Verizon* notes, additionally, omitting the relevant time period would also be considered material by the Commission. Since neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires with regard to the applicable timeframe and since this omission is material, the Proposal is impermissibly indefinite.

Furthermore, the above two examples are just the tip of the iceberg. For instance, the Proposal limits the application of the proposed executive compensation plan to “senior executives,” without clarifying whether the group should include only “senior executive officers” as defined in subsection 111(b)(3) of the Stabilization Act, all officers of the Company subject to Section 16 of the Exchange Act or perhaps another group. Definitional ambiguities also exist for “incentive compensation” because this could mean either all compensation other than base salary or cash bonus and stock awards could be distinguished, and “long-term compensation” because this could mean any of the following: deferred compensation, pension and all stock, whether or not vested. Finally, the prohibition on "accelerated vesting for all unvested equity awards" is vague because it is not clear how the Company would implement this. Since acceleration by definition is a change to a scheduled event, one cannot anticipate future acceleration events. Therefore, to implement the Proposal, the Company would need to restrict its Board of Directors' ability to ever alter the vesting schedule of an equity award. The Proponent does not explain how one would do this, nor whether doing so would be permissible under state law affecting the fiduciary duties of directors.

Because the Proposal fails to define or adequately explain certain of its critical terms and is open to multiple interpretations, the stockholders will not know what they are voting for and the Board of Directors will not know how to implement the Proposal if the stockholders approve it. For these reasons, we believe that the Proposal is materially false and misleading within the meaning of Rule 14a-9 because it is inherently vague and indefinite. Accordingly, we believe that the Proposal may be omitted from the Proxy Materials pursuant to Rule 14a-8(i)(3).

(c) The Proposal will already be substantially implemented prior to the Company mailing its definitive Proxy Materials, as provided in Rule 14a-8(i)(10)

Rule 14a-8(i)(10) under the Exchange Act permits the exclusion of a shareholder proposal from a company’s proxy materials “[i]f the company has already substantially implemented the proposal.” A proposal need not be “fully effected” by the company, as long as it is “substantially implemented.” *Amendments to Rule 14a-8 Under* *the Securities Exchange Act of 1934 Relating to Proposals by Security Holders*, Exchange Act Release No. 20,091, [1983–1984 Transfer Binder] Fed. Sec. L. Rep. (CCH) ¶ 83,417, at 86,205 (Aug. 16, 1983). According to the Commission, in guidance to the predecessor to this rule, this exclusion "is designed to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by the management." *Proposed Amendments to Rule 14a-8 Under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders*, Exchange Act Release No. 12,598, [1976–1977 Transfer Binder] Fed. Sec. L. Rep. (CCH) ¶ 80,634, at 86,600 (July 7, 1976). The Staff has noted that "a determination that the company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.*, SEC No-Action Letter (Mar. 28, 1991). In other words, substantial implementation under Rule 14a-8(i)(10) requires that a company's actions satisfactorily address the underlying concerns of the proposal and that the "essential objective" of the proposal be addressed. Thus, when a company has demonstrated that it has taken action that compares favorably with the proposal, the Staff has concurred that the proposal is substantially implemented and, therefore, can be considered moot. *See, e.g.*, *American International Group*, SEC No-Action Letter (Mar. 12, 2008), *Hewlett-Packard Co.*, SEC No-Action Letter (Dec. 11, 2007), *Anheuser-Busch Cos., Inc.*, SEC No-Action Letter (Jan. 17, 2007); *ConAgra Foods, Inc.*, SEC No-Action Letter (Jul. 3, 2006); *Talbots Inc.*, SEC No-Action Letter (Apr. 5, 2002); and *Masco Corp.*, SEC No-Action Letter (Mar. 29, 1999).

In connection with the Company's participation in the CPP, the Company's "senior executive officers" (as defined in subsection 111(b)(3) of the Stabilization Act) each entered into a letter agreement with the Company (the "SEO Agreements"), a form of which is attached hereto as Annex C.

The SEO Agreements address many of the concerns raised in the Proposal and given these agreements, there is no reason for the Company's stockholders to consider the Proposal. Pursuant to the SEO Agreements and in accordance with the Stabilization Act and the interim final rule adopted thereunder, each senior executive officer accepted (i) a prohibition on the Company making any golden parachute payment to a senior executive officer during the period that the Treasury Secretary holds an equity or debt position in the Company; (ii) a provision for the recovery by the Company of any bonus or incentive compensation paid to a senior executive officer during the period that the Treasury Secretary holds an equity or debt position in the Company based on statements of earnings, gains, or other criteria that are later proven to be materially inaccurate; and (iii) amendments to each of the Company's compensation, bonus, incentive and other benefit plans, arrangements and agreements (including golden parachute, severance and employment agreements) (collectively, "Benefit Plans") with respect to each senior executive officer to the extent necessary to give effect to (i) and (ii) of this paragraph above. The Stabilization Act and the interim final rule require that within 90 days of the purchase by the U.S. Treasury under the CPP and then annually thereafter (for as long as the U.S. Treasury holds any debt or equity securities of the Company), the Compensation Committee must review the SEO incentive compensation arrangements with the Company's senior risk officers and discuss and review the relationship between the Company's risk management policies and practices and the SEO incentive compensation arrangements. Under the SEO Agreements, to the extent revisions to the Benefit Plans are found to be required due to excessive risk concerns, each senior executive officer has agreed to execute such additional documents as the Company deems necessary to effect such revisions.

Taken together, the executive compensation reforms that the Company has already implemented, as described in the paragraph above, substantially address the spirit of the Proponent’s goals, while preserving the Company’s ability to identify the precise package that is best suited to achieve them. Although the SEO Agreements required by the CPP do not satisfy a word-for-word rendering of the Proposal, the Company’s actions address the underlying concerns of the proposal and its “essential objective.” As noted above, a proposal need not be “fully effected” in order for it to be substantially implemented.

For the foregoing reasons, the Company believes that the SEO Agreements compare favorably with the Proposal.

Conclusion

In accordance with Rule 14a-8(j), the Company is contemporaneously notifying the Proponent, by copy of this letter, including Annexes A, B and C, of its intention to omit the Proposal from its Proxy Materials.

The Company anticipates that it will mail its definitive Proxy Materials to stockholders on or about March 11, 2009, which is more than 80 calendar days from the date hereof.

The Company hereby respectfully requests that the Staff indicate that it will not recommend enforcement action to the Commission if the Proposal and Supporting Statement are excluded from the Company’s Proxy Materials for the reasons set forth above.

If you have any questions regarding this request, or need any additional information, please telephone the undersigned at (205) 326-5319.

Please acknowledge receipt of this letter by reply email.

Very truly yours,

John D. Buchanan
Senior Executive Vice President, General Counsel and Corporate Secretary

(Enclosures)

cc: Kenneth Colombo
Craig Rosenburg

ANNEX A

The Proposal and Supporting Statement

SHEET METAL WORKERS' NATIONAL PENSION FUND

FACSIMILE TRANSMITTAL SHEET

TO: JOHN D BUCHANAN Corporate Secretary	FROM Kenneth Colombo
COMPANY: Regions Financial	DATE: November 3, 2008
FAX NUMBER: 205-581-7629	TOTAL NO. OF PAGES INCLUDING COVER: 2
PHONE NUMBER: 205-326-5319	CC: Craig Rosenberg (847) 205-0293
RE: Shareholder Resolution	

☒ *URGENT* ☐ PLEASE COMMENT ☐ PLEASE REPLY

NOTES/COMMENTS

601 N. FAIRFAX STREET, SUITE 500,
ALEXANDRIA, VA 22314
(703)739-7021 OR
(703) 683-0932 FAX

SHEET METAL WORKERS' NATIONAL PENSION FUND

[Sent via 205-581-7629 and via UPS]

November 3, 2008

John D. Buchanan
Corporate Secretary
Regions Financial Corporation
1900 Fifth Avenue North
Birmingham, Alabama 35203

Re: TARP Capital Purchase Program Executive Compensation Reforms Proposal

Dear Mr. Buchanan:

On behalf of the Sheet Metal Workers' National Pension Fund ("Fund"), I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the Regions Financial Corporation ("Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal addresses executive compensation issues related to the Company's participation in the Troubled Asset Relief Program. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the U.S. Securities and Exchange Commission proxy regulations.

The Fund is the beneficial owner of approximately 21,785 shares of the Company's common stock that have been held continuously for more than a year prior to this date of submission. The Fund and other Sheet Metal Worker pension funds are long-term holders of the Company's common stock.

The Fund intends to hold the shares through the date of the Company's next annual meeting of shareholders. The record holder of the stock will provide the appropriate verification of the Fund's beneficial ownership by separate letter. Either the undersigned or a designated representative will present the Proposal for consideration at the annual meeting of shareholders.

If you have any questions or wish to discuss the Proposal, please contact Ken Colombo (703) 739-7018 or Kcolombo@smwnpf.org. Copies of correspondence or a request for a "no-action" letter should be directed to me at Sheet Metal Workers' National Pension Fund, 601 N. Fairfax Street, Suite 500, Alexandria, VA 22314.

SHEET METAL WORKERS' NATIONAL PENSION FUND

Copies should also be forwarded to Mr. Craig Rosenberg, ProxyVote Plus, One Lane Center, 1200 Shermer Rd., Suite 216, Northbrook, IL 60062.

Sincerely,

Kenneth Colombo
Corporate Governance Advisor

Enclosure

cc: Craig Rosenberg

Edward F. Carlough Plaza
601 N. Fairfax Street, Suite 500
Alexandria, VA 22314 (703) 739-7000 facsimile (703) 683-0932

TARP Capital Purchase Program
Executive Compensation Reforms Proposal

Resolved: Given that Regions Financial Corporation ("Company") is a participant in the Capital Purchase Program established under the Troubled Asset Relief Program ("TARP") of the Economic Emergency Stabilization Act of 2008 ("Stabilization Act") and has received an infusion of capital from the U.S. Treasury, Company shareholders urge the Board of Directors and its compensation committee to implement the following set of executive compensation reforms that impose important limitations on senior executive compensation:

- A limit on senior executive target annual incentive compensation (bonus) to an amount no greater than one times the executive's annual salary;
- A requirement that a majority of long-term compensation be awarded in the form of performance-vested equity instruments, such as performance shares or performance-vested restricted shares;
- A freeze on new stock option awards to senior executives, unless the options are indexed to peer group performance so that relative, not absolute, future stock price improvements are rewarded;
- A strong equity retention requirement mandating that senior executives hold for the full term of their employment at least 75% of the shares of stock obtained through equity awards;
- A prohibition on accelerated vesting for all unvested equity awards held by senior executives;
- A limit on all senior executive severance payments to an amount no greater than one times the executive's annual salary; and
- A freeze on senior executives' accrual of retirement benefits under any supplemental executive retirement plan (SERP) maintained by the Company for the benefit of senior executives.

Supporting Statement: Many Company shareholders are experiencing serious financial losses related to the problems afflicting our nation's credit markets and economy. The Company's financial and stock price performance has been challenged by these credit market events and their impact on the nation's economy. The Company's participation in the Stabilization Act's TARP is the result of these broad capital market problems and decisions made by Company senior executives.

Generous executive compensation plans that produce ever-escalating levels of executive compensation unjustified by corporate performance levels are major factors undermining investor confidence in the markets and corporate leadership. Establishing renewed investor confidence in the markets and corporate leadership is a critical challenge. Congress enacted executive compensation requirements for those companies participating in the Stabilization Act's TARP. Unfortunately, we believe those executive compensation restrictions fail to adequately address the serious shortcomings of many executive compensation plans. This proposal calls for a set of more rigorous executive compensation reforms that we believe will significantly improve the pay-for-performance features of the Company's plan and help restore investor confidence. Should existing employment agreements with Company senior executives limit the Board's ability to implement any of these reforms, the Board and its compensation committee is urged to implement the proposed reforms to the greatest extent possible At this critically important time for the Company and our nation's economy, the benefits afforded the Company from participation in the TARP justify these more demanding executive compensation reforms.

ANNEX B

Deficiency Letter

John D. Buchanan
Senior Executive Vice President
General Counsel
Corporate Secretary

November 13, 2008

REGIONS

Ken Colombo
Corporate Goverance Advisor
Sheet Metal Worker's National Pension Fund
601 N. Fairfax Street, Suite 500
Alexandria, VA 22314
Telephone: (703) 739-7018
Facsimile: (703) 683-0932

Re: Regions Financial Corporation

Dear Mr. Colombo:

This letter is sent to the Sheet Metal Worker's National Pension Fund in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, pursuant to which we must notify you of any procedural or eligibility deficiencies in your shareholder proposal, dated and received by us on November 3, 2008, as well as of the time frame for your response to this letter. For the reasons set forth below, we believe that your proposal may be excluded from our proxy statement for our upcoming 2009 annual meeting of shareholders, unless this deficiency is cured within 14 days of your receipt of this letter.

Under Rule 14a-8(c) you are permitted to submit no more than one shareholder proposal for a particular shareholders' meeting. We believe that your submission contains multiple shareholder proposals in violation of Rule 14a-8(c). You may bring your submission into compliance with Rule 14a-8(c) by resubmitting just one proposal.

Under Question (6) of Rule 14a-8, we are required to inform you that if you would like to respond to this letter or remedy the deficiency described above, your response must be postmarked, or transmitted electronically, no later than 14 days from the date that you first received this letter.

Yours truly,

John D. Buchanan
Corporate Secretary

cc: Craig Rosenburg

NY12534:197742.2

Regions Financial Corporation
1901 6th Avenue North
Harbert Plaza, 18th Floor
Birmingham, Alabama 35203
(205) 326.5319
Fax (205) 581.7629

ANNEX C

Form of SEO Agreement

<u>ANNEX C</u>

[Date], 2008

[Senior Executive Officer],
[Street Address],
[City], **[St]** **[Zip]**.

Dear **[Senior Executive Officer]**,

Regions Financial Corporation (the "*Company*") has entered into a Securities Purchase Agreement (the "*Participation Agreement*"), with the United States Department of Treasury ("*Treasury*") that provides for the Company's participation in the Treasury's TARP Capital Purchase Program (the "*CPP*").

For the Company to participate in the CPP and as a condition to the closing of the investment contemplated by the Participation Agreement, the Company is required to establish specified standards for incentive compensation to its senior executive officers and to make changes to its compensation arrangements. To comply with these requirements, and in consideration of the benefits that you will receive as a result of the Company's participation in the CPP, you agree as follows:

(1) *No Golden Parachute Payments*. The Company is prohibiting any golden parachute payment to you during any "CPP Covered Period". A "*CPP Covered Period*" is any period during which (A) you are a senior executive officer and (B) Treasury holds an equity or debt position acquired from the Company in the CPP.

(2) *Recovery of Bonus and Incentive Compensation.* Any bonus and incentive compensation paid to you during a CPP Covered Period is subject to recovery or "clawback" by the Company if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria.

(3) *Compensation Program Amendments.* Each of the Company's compensation, bonus, incentive and other benefit plans, arrangements and agreements (including golden parachute, severance and employment agreements) (collectively, "*Benefit Plans*") with respect to you is hereby amended to the extent necessary to give effect to provisions (1) and (2).

In addition, the Company is required to review its Benefit Plans to ensure that they do not encourage senior executive officers to take unnecessary and excessive risks that threaten the value of the Company. To the extent any such review requires revisions to any Benefit Plan with respect to you, you and the Company agree to agree to execute such additional documents as the Company deems necessary to effect such revisions.

(4) *Definitions and Interpretation.* This letter shall be interpreted as follows:

- "Senior executive officer" means the Company's "senior executive officers" as defined in subsection 111(b)(3) of EESA.

- "Golden parachute payment" is used with the same meaning as in subsection 111(b)(2)(C) of EESA.

- "EESA" means the Emergency Economic Stabilization Act of 2008 as implemented by guidance or regulation that has been issued and is in effect as of the "Closing Date" as defined in the Participation Agreement.

- The term "Company" includes any entities treated as a single employer with the Company under 31 C.F.R. § 30.1(b) (as in effect on the Closing Date). You are also delivering a waiver pursuant to the Participation Agreement, and, as between the Company and you, the term "employer" in that waiver will be deemed to mean the Company as used in this letter.

- The term "CPP Covered Period" shall be limited by, and interpreted in a manner consistent with, 31 C.F.R. § 30.11 (as in effect on the Closing Date).

- Provisions (1) and (2) of this letter are intended to, and will be interpreted, administered and construed to, comply with Section 111 of EESA (and, to the maximum extent consistent with the preceding, to permit operation of the Benefit Plans in accordance with their terms before giving effect to this letter).

- This Agreement will be governed by and construed in accordance with the law of the State of Alabama applicable to contracts made and to be performed entirely within that state. To the extent permitted by law, you and the Company waive any and all rights to a jury trial with respect to this Agreement and the Benefit Plans. You and the Company further irrevocably submit to the exclusive jurisdiction of any state or federal court located in Birmingham, Alabama over any contest related to this Agreement and the Benefit Plans. This includes any action or proceeding to compel arbitration or to enforce an arbitration award. Both you and the Company acknowledge that (a) the forum stated in this Section has a reasonable relation to this Agreement and to the relationship between you and the Company and that the submission to the forum will apply even if the forum chooses to apply non-forum law, (b) waive, to the extent permitted by law, any objection to personal jurisdiction or to the laying of venue of any action or proceeding covered by this Section in the forum stated in this Section, (c) agree not to commence any such action or proceeding in any forum other than the forum stated in this Section and (d) agree that, to the extent permitted by law, a final and non-appealable judgment in any such action or proceeding in any such court will be conclusive and binding on you and the Company. However, nothing in this Agreement precludes you or the Company from bringing any action or proceeding in any court for the purpose of enforcing the provisions of this Section.

The Board appreciates the concessions you are making and looks forward to your continued leadership during these financially turbulent times.

Very truly yours,

REGIONS FINANCIAL CORPORATION.

By: ______________________________
Name:
Title:

Intending to be legally bound, I agree with and accept the foregoing terms.

____
[Senior Executive Officer]