August 17, 2009

Via e-mail: rule-comment@sec.gov
Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
1000 F Street, NE
Washington, DC 20549-1090

Re: Facilitating Shareholder Director Nominations, File No. S7-10-09

Dear Ms. Murphy:

Computershare and Georgeson Inc. appreciate the opportunity to respond to the request for comments made by the Securities and Exchange Commission (the "Commission") regarding the proposal to facilitate shareholder director nominations.

Computershare is a global leader in transfer agency, employee equity plans, proxy solicitation and other specialized financial, governance and communication services. Many of the world's largest companies employ our innovative solutions to maximize the value of their relationships with investors, employees, customers and members. Computershare has over 12,000 employees across the world and serves 17,000 corporations and 100 million shareholder and employee accounts in 17 countries across five continents. Georgeson Inc., which is owned by Computershare, is a global leader in providing strategic proxy and corporate governance advisory services to corporations and shareholder groups working to influence corporate strategy.

Computershare and Georgeson have been actively involved with the NYSE on proxy reform issues since 2001, when the former Proxy Voting Review Committee began analyzing proxy distribution fees. We have made formal submissions to the NYSE and the Commission in the past on proxy reform issues. Our employees interact, on a daily basis, with interested parties on all sides of issues concerning proxy reform. Our clients include a wide range of both companies and shareholders. Our employees remain active in professional organizations that represent different points of view when analyzing proxy reform issues.

Computershare and Georgeson support the work of the Commission and recognize the challenges of modernizing a proxy solicitation process that has evolved over many years

and involves many constituents with differing viewpoints. Our efforts in this area are focused on protecting the interests of both companies and shareholders, as well as other market participants, by creating more efficient and cost-effective communications and proxy solicitation processes, increasing the transparency of share ownership and ensuring the integrity of the votes cast. Of great importance to us is the ability of companies and shareholders to communicate more efficiently, effectively and directly with each other.

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We have given considerable thought to proxy access. We believe the regulatory authorities are best placed to determine the appropriateness and level of proxy access to be granted to shareholders. As such, we do not take a formal position on whether the SEC should facilitate Proxy Access. However, given the likelihood that Proxy Access will lead to a greater number of contested, and therefore, "close call" elections, Computershare and Georgeson strongly recommend that the SEC promptly consider additional changes to the proxy system to enhance the ability of companies to directly communicate with all of its shareholders. We believe that such changes should include "end-to-end validation" of proxy votes to ensure that shareholder votes are received and recorded as the shareholder intends. Note that we addressed many of these issues in our March 27, 2009 comments to the now amended NYSE Rule 452. As with the elimination of broker discretionary voting, Proxy Access, if adopted, potentially creates significant challenges for companies seeking to solicit support for director nominees underscoring the need for companies to communicate directly with their shareholders. As discussed further below, we believe reform of the proxy system can be fashioned in a manner that not only protects shareholder privacy, but increases transparency and confidence in proxy voting procedures. Towards this end, Computershare and Georgeson fully support the recommendations of the Shareholder Communications Coalition ("SCC") to modernize and reform the proxy process (See SCC comment letter dated August 4, 2009).

Enable Companies to Identify of and Communicate with All Shareholders. We continue to be concerned with the inability of companies to identify and to communicate directly with all of their shareholders, and particularly OBOs (objecting beneficial owners, who hold their shares through brokers, but have not opted to identify themselves to companies). It is difficult for companies to communicate directly with OBOs who do not provide voting instructions to their brokers on non-routine matters.

If the SEC formally adopts a Proxy Access rule, we strongly recommend that SEC simultaneously eliminate the distinction between OBOs and NOBOs (non-objecting beneficial owners, who hold their shares through brokers, but permit themselves to be identified to companies). This would greatly enhance the ability of companies to identify and to communicate directly with all of their shareholders. It would also increase ownership transparency in the proxy process. We believe that the OBO/NOBO distinction could be eliminated in a way that would greatly enhance and protect the voting system as a whole, while still providing confidentiality for sensitive personal information of OBOs.

Under the current system, both individual and institutional shareholders can be OBOs, who hold their shares in bank or brokerage accounts. The banks and brokers have a full set of confidential information about these shareholders, including, e.g., their names, addresses, telephone numbers, e-mail addresses, number of shares held in each company, and tax identification numbers. Banks and brokers already outsource the mailing of all shareholder communications to a third party, Broadridge Financial Solutions Inc. ("Broadridge"), and thus are already turning over to a third party confidential information: their customers' names, addresses and the number of shares held by their customers in each company.

We believe that many individual OBOs may have forgotten or be unaware[1] that they have selected that status for themselves, especially if they did so long ago, when company-shareholder communication was not as vital a part of the proxy voting process as it is today. Many may not know what it means to be an OBO and that they are unable to receive communications directly from the companies in which they own stock.

Although we respect the desire for shareholder confidentiality, we believe that the OBO/NOBO distinction could be eliminated in the following limited manner:

a. Institutional OBOs already have their names, addresses and shareholdings made public, when they file this information on their quarterly Form 13F filings with the SEC. Eliminating the OBO/NOBO distinction for these shareholders would only minimally decrease the time lag before which, and increase how frequently, the amount of their shareholdings become known to the companies whose shares they hold.

b. For all OBOs (as is the case for NOBOs), only their names, their addresses and the amount of their shareholdings would be required to be disclosed to the companies whose shares they hold. No telephone numbers, e-mail addresses, tax identification numbers or any other information could be disclosed. Companies would be permitted to use the limited information for the sole purpose of shareholder communications. Companies would be forbidden from selling the information to third parties or from using the information for any other purposes, such as for marketing company products or services.

c. With such limited disclosure about their shareholders, companies would still be able to significantly reduce their shareholder communications costs, if they could choose to communicate directly to all of their shareholders, based on competitive market pricing. Under the current system, company mailing costs are determined by Broadridge (which faces no competition for its mailings) and the NYSE (which has been brought into the business of setting fees for mailing shareholder communications under NYSE Rule 465). We strongly believe that the market would be better served by facilitating competition for investor communication services, thereby enabling companies to choose

[1] See the "Investor Attitudes Study" prepared for the NYSE Group by the Opinion Research Corporation, dated April 7, 2006, pages 3, 8 and 9, for statements and data that support the point that many investors are confused as to whether they selected or were even asked to select NOBO or OBO status when they purchased their stock.

their own service providers and negotiate the prices for such services in a normal competitive commercial environment.

d. Elimination of the OBO/NOBO distinction would also help to address the ongoing issues of stock lending, over-voting and "empty voting". These issues can result in the potential disenfranchisement of shareholders in the voting process and, in the worst case scenarios, compromised voting outcomes. With no OBO/NOBO distinction, banks and brokers would be forced to produce a list of all of their record date beneficial shareholders and then tie the total number of votes held by each firm to the shares that each firm holds at the Depository Trust and Clearing Corporation (or "DTCC") on such record date. This would lead to further transparency and confidence in the entire voting process which now becomes even more critical with the prospect of a substantial increase in the number of "close call" votes on director elections that are likely to occur as a result of Proxy Access, amended Rule 452 and the prevalence of companies that have now adopted majority voting in the election of directors.

We firmly believe that the adoption of multiple changes to rules that enhance the voting power of activist investors without proxy reform will surely test the current system given the advent of problems such as overvoting, empty voting and even the undervoting that results from institutional share lending practices.

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We appreciate the opportunity to comment on this important issue. If you would find it useful for us to provide you with further information, please do not hesitate to contact us at 212-805-7000.

Respectfully submitted,

A Walsh on behalf of Paul Conn

David S. Drake

Paul Conn
President, Global Capital Markets
Computershare Limited

David Drake
President
Georgeson Inc.

cc: The Honorable Mary Schapiro
The Honorable Kathleen L. Casey
The Honorable Elisse B. Walter
The Honorable Luis A. Aguilar
The Honorable Troy A. Paredes