

September 3, 2009

Re: Release Number 34-60218, File No. S7-12-09 - "Shareholder Approval of Executive Compensation of TARP Recipients"

Dear SEC Commissioners and Fellow Stockholders:

As a former business professor who has pursued better corporate governance since 1996, I enthusiastically support shareholder non-binding approval of "Say on Pay", not just for TARP recipients, but for all publicly traded firms.

Boards in the U.S.A., having little practical accountability to their shareholders, oversaw the top five executives of America's publicly traded corporations increase their take of firm profits from 4.8% (1993 to 1995) to 10% (2000 to 2003). During the last six years, investors and observers have seen most top management prosper while most stockholders suffer financially. While the last decade has been the worst for investors in U.S. stocks since 1926, CEOs thrive.

At the extremes, the very best paid CEOs often preside over the worst performing companies, i.e. Enron, Worldcom, Lehman Brothers, etc. This disconnect between generous overall top executive pay and poor performance must end, if the U.S. stock market is to thrive.

Stockholders are supposed to be above top management in the organization charts of for profit firms in capitalism; economic reality needs to better reflect this, and "Say on Pay" will help.

The SEC or Congress should mandate the following corporate governance improvements to hold directors more accountable to owners, and to maximize long-term shareholder wealth:

1. Majority Voting in Uncontested Elections
2. One Year Board Terms
3. Separate CEO and Chairman, or have a Lead Director
4. Cumulative Voting
5. Facilitate director nominations by large, long-term stockholders and director choice by owners
6. Shareholder ability to call a special election to replace directors, as in the U.K.

Having read most preceding comments on this SEC website File No. S7-12-09 concerning "Say on Pay", all but one were in favor. Thank you.

Sincerely,

Frank Coleman "Cole" Inman  
Corporate Governance Adviser & Former Business Professor