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September 8, 2009

Via electronic delivery: *rule-comments@sec.gov*
Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: File No. S7-12-09

Dear Ms. Murphy:

We are writing on behalf of Calvert Group, Ltd. (Calvert)[1] to provide comments on the Securities and Exchange Commission (Commission) Rule Proposal on "Shareholder Approval of Executive Compensation of TARP Recipients." The rule amendments seek to codify the requirement that registrants that are recipients of the Troubled Assets Relief Program (TARP) provide a separate shareholder vote to approve the compensation of executives (commonly referred to as "Say-on-Pay") as required under the Emergency Economic Stabilization Act of 2008.[2] The Act requires "companies that have received financial assistance under TARP to permit a separate shareholder advisory vote to approve the compensation of executives, as disclosed pursuant to the compensation disclosure rules of the Commission, during the period in which any obligation arising from financial assistance provided under the TARP remains outstanding."

Calvert supports these efforts to enhance investor oversight and involvement in corporate governance through this mechanism to provide feedback on executive compensation.[3] Executive compensation is a core area of shareholder interest, one

[1] Calvert is a financial services firm that offers mutual funds and separate accounts to institutional investors, retirement plans, financial intermediaries and their clients. We offer more than 50 equity, bond, cash, and asset allocation investment strategies, many of which feature integrated corporate sustainability and responsibility research. Founded in 1976 and based in Bethesda, Maryland, Calvert has approximately $13.7 billion in assets under management.
[2] Section 111(e), as amended on February 17, 2009 by the American Recovery and Reinvestment Act of 2009.
[3] Calvert has a strong history of advocating the Commission for the continued improvement and enhancement of the proxy voting process, including the use of the advisory vote. See Calvert letter dated August 17, 2009 regarding File No. S7-10-09 ("Facilitating Shareholder Director Nominations"); Calvert letter dated October 1, 2007 regarding File Nos. S7-16-07 and S7-17-07 ("Shareholder Proposals" and "Shareholder Proposals Relating to the Election of Directors"); and Calvert letter dated

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4550 Montgomery Avenue
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where investors need additional tools to hold managers and directors accountable for their actions. By providing a direct voice on annual compensation packages, we believe that an annual advisory vote on executive pay would enhance shareholder dialogue with management and provide insights to board compensation committees as they craft compensation plans. Thus, the Rule Proposal provides additional effective tools to enhance corporate governance by granting shareholders a clearer voice in the governance of their own companies through an annual advisory vote on executive compensation.

In response to the request for comments on the proposed rule amendments, Calvert feels that a short explanation of the general effect of the vote is useful for investors, including the non-binding nature of an advisory vote. Further, since the desired focus is an individual company's practices, we support not imposing on registrants that they use specific language, other than requiring that the vote must be to approve compensation of executives as noted in the Proposed Rule. In addition, we agree that smaller companies may be exempted from the requirement to provide a compensation discussion and analysis as this represents a reasonable balance in the interest of shareholder rights and smaller companies' concerns about reporting burdens. Lastly, Calvert agrees that it is appropriate at this stage to provide Commission staff the opportunity to comment on the disclosure before final proxy materials are filled, recognizing the early stage of the development of disclosures under these requirements and the special policy considerations relating to this shareholder vote for TARP recipients.

We also want to take this opportunity to express our view that reasonable shareholders' concerns over executive compensation exist across a broader range of companies than is covered under this Rule Proposal. Therefore, Calvert urges the Commission to consider proposing the adoption of an annual advisory vote on executive compensation for all publicly-held companies. Executive compensation needs to be better aligned with the interests of shareowners, long-term corporate performance and with the public. To that end, the advisory vote for all companies would create greater broad-reaching corporate transparency and corporate accountability, further strengthening long-term shareholder interests and supporting fundamental corporate governance by rewarding appropriate risk incentives, not just for the limited number of TARP recipients.[4]

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June 12, 2003 regarding File No. S7-10-03 ("Notice of Solicitation of Public Views Regarding Possible Changes to the Proxy Rules").

[4] The Investor's Working Group, an independent taskforce sponsored by the CFA Institute Centre for Financial Market Integrity and Council of Institutional Investors, supports an advisory vote on executive compensation and includes it as one of a group of improved "corporate governance requirements would also help restore the integrity of U.S. financial markets." See U.S. Financial Regulatory Reform: The Investors' Perspective, A Report by the Investors' Working Group, July 2009.

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Overall, Calvert strongly supports the advisory vote as one important tool for investors to hold companies accountable on executive compensation as investors need better tools to hold executives and directors accountable. Enacting the Rule Proposal as proposed is a first step that would represent a significant move to increase investor confidence in, and regulatory attention to, a core corporate governance issue, while serving to enhance the quality of the proxy voting process at the same time. We trust that the Commission appreciates the necessity of this step, and would welcome the opportunity to speak with you about the importance of providing "Say-on-Pay" for all registrant companies.

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Sincerely,

/s/ William M. Tartikoff	/s/ Ivy Wafford Duke
William M. Tartikoff Senior Vice President and General Counsel	Ivy Wafford Duke Assistant Vice President and Deputy General Counsel

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