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October 19, 2010

The Honorable Mary Schapiro, Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Concept Release on the U.S. Proxy System, File Number S7-14-10

Dear Chairman Schapiro:

Prof. Marcel Kahan, of NYU Law School, and I have written at length regarding the technical failures of the U.S. proxy system, and how it cannot sustain the demands we place on it. Marcel Kahan & Edward Rock, *The Hanging Chads of Corporate Voting*, 96 *Geo. L. J.* 1227 (2008).

We are thus extremely supportive of the Commission's Concept Release. In particular, we urge the Commission to move forward with reforming the system and to do so with dispatch. In this regard, we stress five points:

- Proxy voting is a critical foundation of corporate governance.
- As our article and the SEC's Concept Release detail, the existing proxy system is inadequate in a variety of ways.
- Over the last two decades, a variety of developments have encouraged shareholders to become more active in corporate governance, and they have responded.
- More recently, shareholders have been given even more things to vote on, including "say on pay," and proxy access.
- These developments make the updating of the proxy voting system of paramount importance.

Although we did not have time to draft a letter detailing our views on the specific initiatives proposed by the Commission, we would be happy to provide our input as the process moves forward if it would be useful.

Respectfully,

A handwritten signature in black ink, appearing to read "E. B. Rock". The signature is written in a cursive style with a large initial "E" and "R".

UNIVERSITY of PENNSYLVANIA